Market and Land Supply

MONITORING REPORT 2023

City of Hamilton

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1.0 EXECUTIVE SUMMARY

1.0 EXECUTIVE SUMMARY

The Market and Land Supply Monitoring Report is a document which outlines the City's progress towards meeting provincial and local growth and affordability targets. Hamilton is expected and planned to accommodate a significant amount of residential growth to 2051. The City is mandated to achieve certain numerical targets and other planning objectives. The report is intended to provide consistent tracking of various indicators of growth and affordability in a comprehensive and accessible platform.

Council identified the need to monitor this information and report annually through the City's Growth Related Integrated Development Strategy (GRIDS 2) and Municipal Comprehensive Review of its Urban Hamilton Official Plan in 2022. Annual monitoring will help inform Council if amendments to the existing growth strategy are necessary.

This is the City's first Market and Land Supply Monitoring Report (2023) and it is expected to be updated annually. Annual monitoring of both housing supply and affordability is necessary for evaluating the City's growth strategy to inform future reviews of City housing policies and programs.

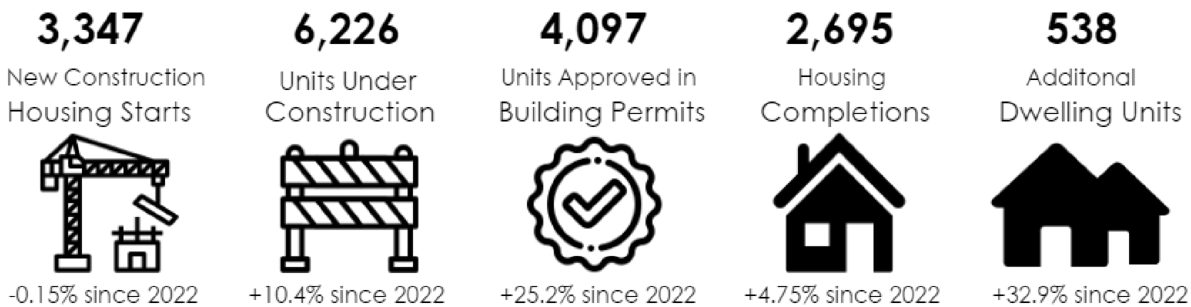
The purpose of the report is to highlight patterns in the growth that has occurred within the City of Hamilton without discussing assumptions on projections for the future. This represents a snapshot in time based on the data contained in the report. The report includes information available from Statistics Canada and other government entities such as CMHC as well as information from internal City data bases.

The report includes information on residential growth, land and housing supply, and the cost of housing and housing affordability. Employment growth is not reported on in this version of the Monitoring Report (2023) however this is intended to be included in future versions of the report.

Key housing statistics from 2023 highlighted in this report include:

- An increase in annual residential construction with 4,142 housing starts for new construction and conversions (including long term care beds), surpassing the Province's 2023 Housing Pledge target of 3,447;
- A record setting 90% intensification rate, the highest rate documented;
- An increase in residential supply through increased as-of-right zoning permissions even though Designated Greenfield Areas are decreasing; and,
- A continued eroding of housing affordability in both the rental and home ownership markets.

The number of new dwelling units has generally been increasing over the last 10 years. The following graphic summarizes the number of CMHC housing starts, dwellings under construction, housing completions and new dwellings including additional dwelling units based on City of Hamilton building permit data.



The difference between housing starts and housing completions has increased with the higher proportion of medium and high rise developments which take significantly longer than ground oriented housing to construct. This means that the housing starts seen in Hamilton in the past few years have not yet fully entered the housing market.

There is a difference in the number of dwellings based on building permits and housing starts as building permit data is based on the date the building permit was issued and housing starts is based on the construction of the foundation.

The total number of additional dwelling units has increased by approximately 400% since 2019 which indicates that landowners are taking advantage of the new permissions to construct additional dwelling units.

2.0

FORECASTED GROWTH

2.0 FORECASTED GROWTH

The Urban Hamilton Official Plan contains forecasts of population, employment and household growth to 2051. The forecast requires the City of Hamilton to achieve a total population of at least 820,000 and at least 360,000 jobs by 2051.

2.1 POPULATION

The City of Hamilton obtains estimates for the City’s total population based on an internal database which is updated annually and Statistics Canada census data which is released every five years. The population for the City of Hamilton (CDR) based on the census profile represents 73% of the Hamilton Census Metropolitan Area (CMA) population. The Hamilton Census Metropolitan Area (CMA) includes Hamilton, Burlington and Grimbsy.

The population estimates differ between the two sources which can be attributed to residents who are not accounted for in the census counts including people experiencing homelessness and students. Census Canada estimates an undercount rate to account for this missing data and calculates a more accurate total population. The undercount rates are released approximately 2 years after the census data is released and typically range between 2 to 4%.

The City’s population reported in the most recent census (2021) was 569,353 people. Comparatively, the population based on the City’s database was 587,412 in 2021 and is 597,000 in 2023. Based on the City’s population as of 2023, the City must grow by approximately 7,964 people (1.3%) per year or 39,820 people (6.5 %) every five years to achieve the population forecast of 820,000 to 2051.

Figure 1, below, shows the City’s population growth between 2013 to 2023 based on the City’s database and Statistics Canada census data for Hamilton (CDR). The population estimates are averaged to align with the census data. The City’s population has grown by 55,285 people between 2013 and 2023 or a population percentage change of 9.3%.

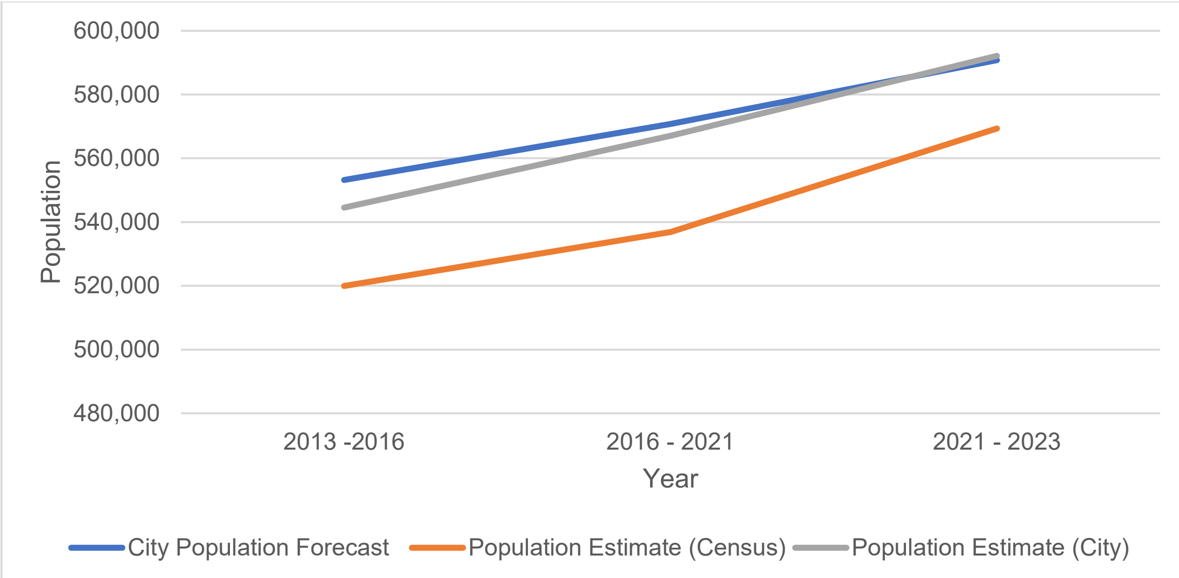


FIGURE 1: POPULATION GROWTH 2013 – 2023
Source: Statistics Canada and City of Hamilton property land use inventory

2.1.1 Components of Population Growth

Statistics Canada has data on the different components that contribute to population growth including births, deaths, immigration, emigration, interprovincial migration, intraprovincial migration and non-permanent residents. This data is based on the Hamilton Census Metropolitan Area (CMA).

The annual population growth in the Hamilton CMA has been increasing over time since 2013, from a total population growth of 7,482 people to 13,507 people in 2023. It is assumed 73% of the total population growth in the Hamilton CMA is within the City of Hamilton being 5,424 people in 2013 and 9,793 people in 2023.

There was a significant dip in population growth between 2020 and 2021. This is partially attributed to the significant decline in non-permanent residents which is correlated with the COVID-19 pandemic where many students would have moved back to their permanent residence.

Notably, population growth from immigration increased significantly in 2021, surpassing the number of births as a component of population growth. This trend has been seen across the Province as the total number of immigrants coming into Canada almost doubled beginning in 2022. Staff note that the Hamilton CMA had not seen the same increase in international students (included under net non-permanent residents) that has been seen in other regions of southern Ontario that have Universities and Colleges.

Hamilton CMA is seeing a decline in interprovincial migration, referring to those migrating from the Hamilton CMA to outside the Province of Ontario but seeing an increase in intraprovincial migration, referring to those migrating to the Hamilton CMA from other municipalities within Ontario. There is an overall net population increase between intraprovincial and interprovincial migration in the Hamilton CMA.

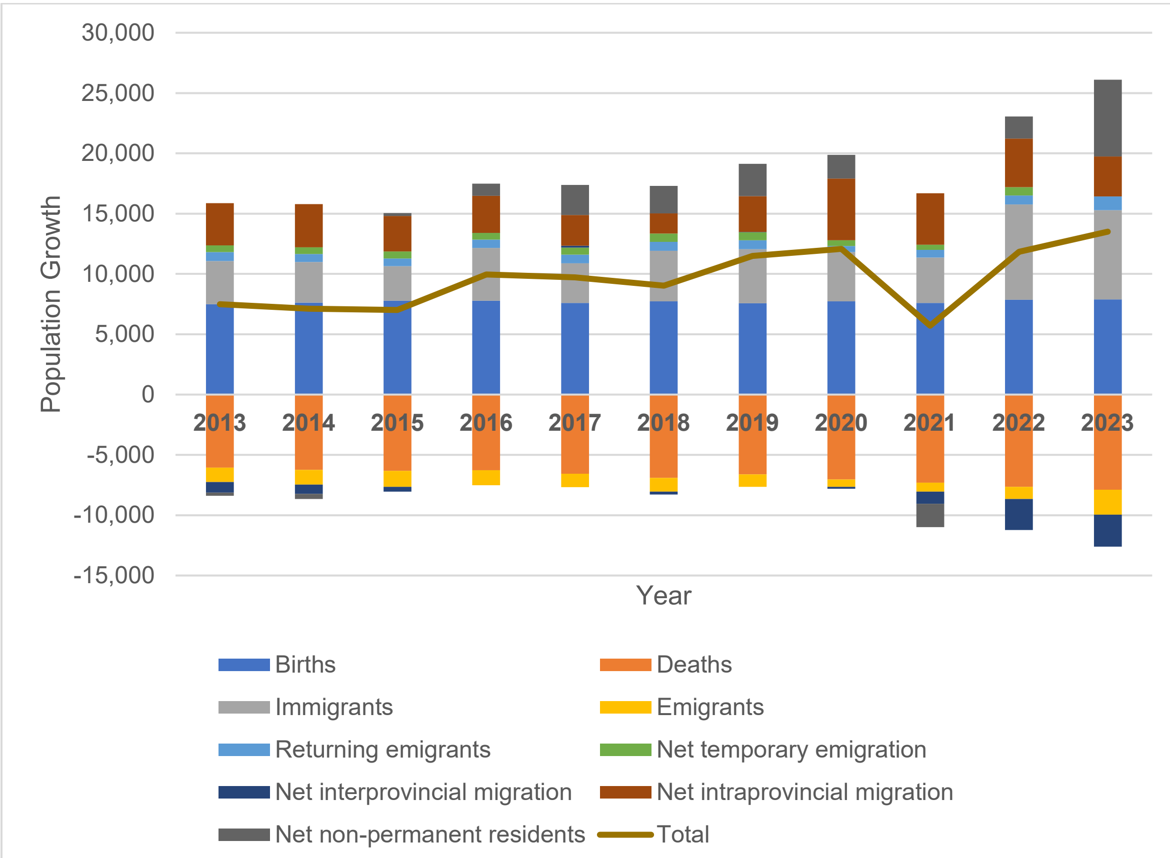


FIGURE 2: COMPONENTS OF POPULATION GROWTH
Source: Statistics Canada. Table 17-10-0136-01 Components of population change by census metropolitan area and census

2.2 HOUSEHOLDS

To progress towards the forecasted number of households established in the Urban Hamilton Official Plan to 2051, the City of Hamilton must increase the total number of households annually by approximately 3,560 dwellings. Additionally, in order to progress towards the 10-year housing target of 47,000 for the City of Hamilton established by the Province for the Municipal Housing Pledge, the City must add 3,447 households in 2023. Progression towards the Provincial 10-year housing target is based on CMHC housing starts for new construction and conversions, as well as long term care homes based on data from the Ministry of Long Term Care.

The total number of private households increased from 217,892 in 2013 to 238,000 which represents an increase in 20,108 over the past 10 years or an average of approximately 2,011 households per year. The annual household growth has increased over the past 10 years from 1,675 new units in 2013 to 2,000 new units in 2023, with a peak in 2022 of 2,436 new units.

Figure 3 identifies the estimated total number of households (Household Estimate) in the City of Hamilton based on the City's internal database between 2021 and 2023 relative to the City's household forecast in the Urban Hamilton Official Plan. The estimated number of households is also reported by Statistics Canada census data which is released every five years. For the years where a census profile is released the household estimates between the two data sources are the same.

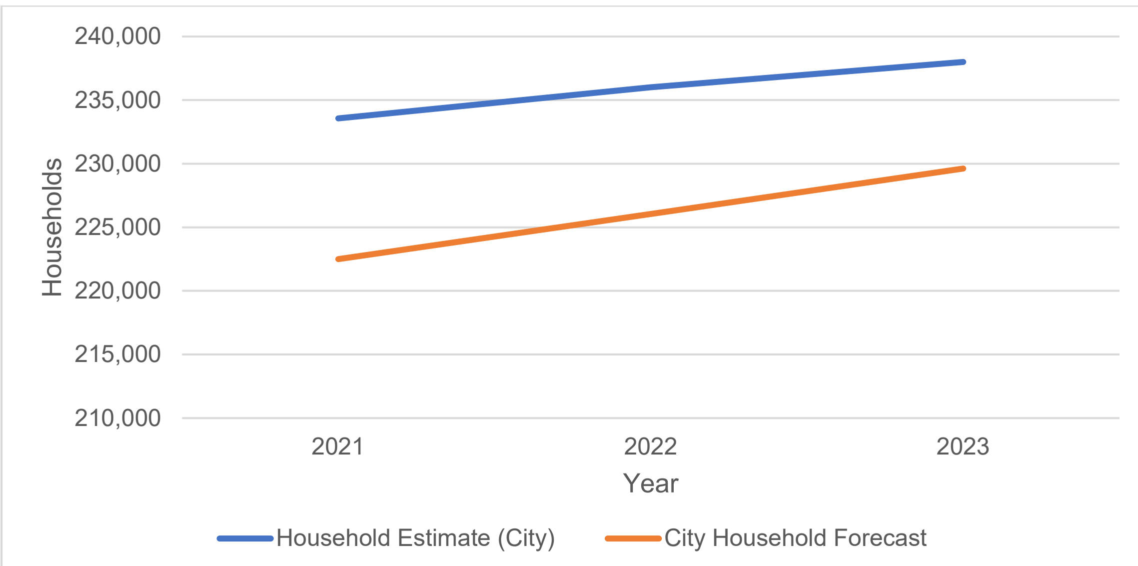


FIGURE 3: NUMBER OF HOUSEHOLDS 2021 - 2023
Source: City of Hamilton

3.0

RESIDENTIAL GROWTH

3.0 RESIDENTIAL GROWTH

In addition to population and household growth, indicators of residential growth include construction activity; the range and mix of housing units, including additional dwelling units; and, the location of residential growth, particularly within or outside of the built boundary to determine the residential intensification rate.

3.1 CONSTRUCTION ACTIVITY

For the purposes of this report, construction activity refers to the number of new units underway in the City of Hamilton at various stages of the construction and approval process. The City of Hamilton obtains construction activity data from CMHC: Canada Mortgage and Housing Corporation and the City's building permits. The measures of residential growth under construction activity are CMHC housing starts (new construction), CMHC housing units under construction, City building permits and CMHC housing completions. There is variation in the number of dwelling units in each dataset as they represent different stages in the construction process of which the timing can vary significantly.

3.1.1 CMHC HOUSING STARTS

Housing starts are the stage of construction where the concrete has been poured for the foundation or an equivalent stage. The CHMC housing starts data tracks the number of dwelling units in buildings in this stage of construction. CMHC also reports the number of housing starts through the conversion of existing buildings to add additional dwelling units. In 2023, the number of new dwelling units reported by CMHC based on housing starts was 3,347 based on new construction and 607 based on conversions.

Figure 4, below, shows the number of dwelling units based on CMHC housing starts (new construction) by dwelling type between 2013 and 2023. The annual number of dwelling units in the City of Hamilton based on housing starts (new construction) has increased from 1,746 dwellings in 2013 to 3,347 dwelling units in 2023 with a peak of 3,604 dwelling units in 2021.

The proportion of housing starts for apartments has increased from 9.0% in 2013 to 75.9% in 2023; while the proportion of housing starts for single detached dwellings has decreased from 58.8% to 6.8%. Additional Dwelling Units are included as apartments in the CMHC data for housing starts.

		
2013	58.8%	9.0%
2023	6.8%	75.9%

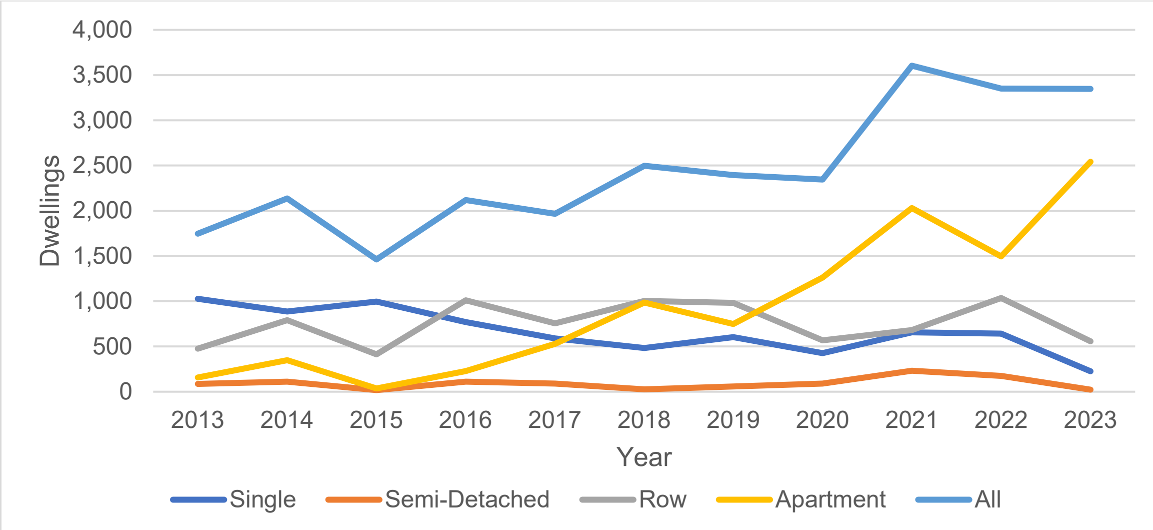


FIGURE 4: CMHC HOUSING STARTS BY DWELLING TYPE 2013 -2023
Source: CHMC Data - Hamilton (C) — Historical Starts by Dwelling Type

3.1.2 CMHC Dwellings Under Construction

Figure 5, below, shows the number of dwelling units under construction in the City of Hamilton based on CMHC data. The total number of dwelling units under construction each year has increased significantly since 2013 from 1,452 dwelling units to 6,226 dwelling units in 2023. A similar trend is seen with the number of apartment dwelling units under construction, increasing from 295 dwelling units in 2013 to 4,905 dwelling units in 2023. These increases are correlated as apartment dwellings take longer to construct than ground-oriented housing, resulting in an increase of housing 'in the pipeline' for occupation.

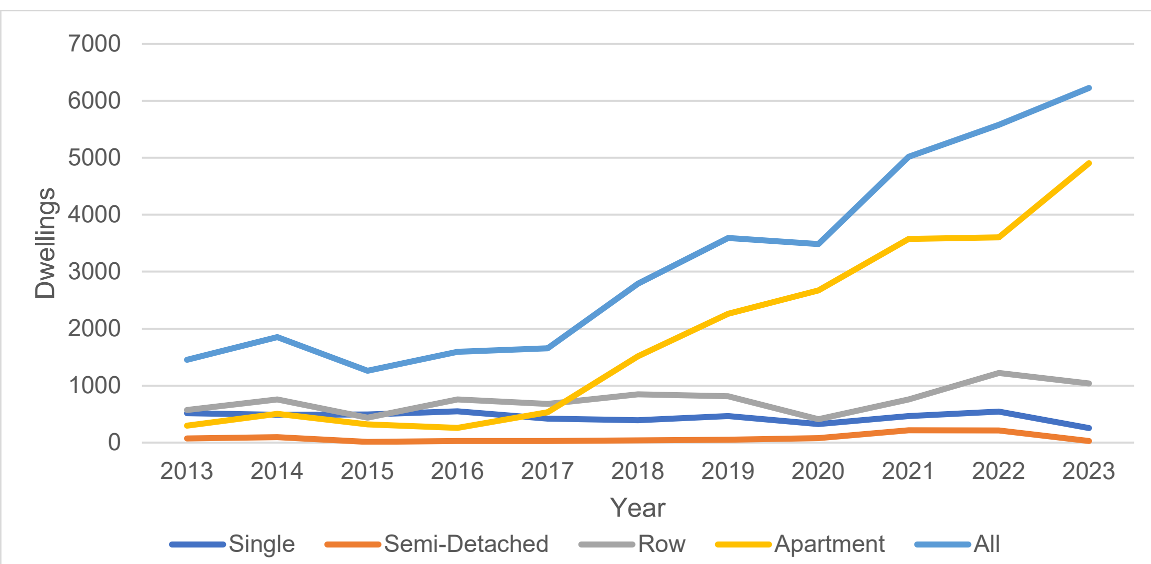


FIGURE 5: CMHC DWELLINGS UNDER CONSTRUCTION 2013 - 2023
Source: CHMC Data - Hamilton (C) — Historical Under Construction Inventory by Dwelling Type

3.1.3 CITY BUILDING PERMITS

Building permit data is based on the number of dwelling units in a building(s) where a building permit has been issued but may not have started construction.

Figure 6 shows the number of new dwelling units based on the City's building permit data between 2013 and 2023. The annual number of dwelling units based on building permit data has increased from 1,902 dwellings in 2013 to 4,097 in 2023. Additionally, Figure 7, below, shows the proportion of the total number of new dwelling units within or outside the built boundary thus corresponding with the residential intensification rate for that year.

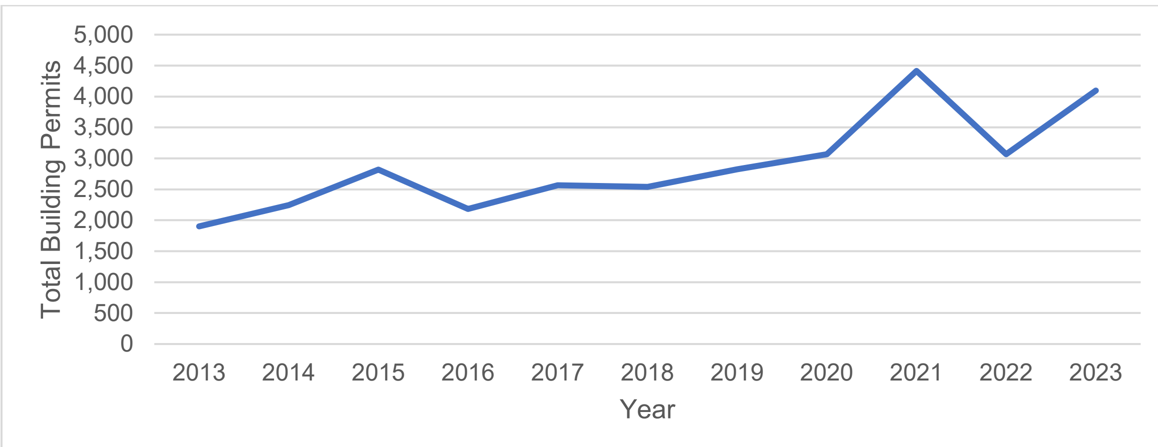


FIGURE 6: TOTAL DWELLING UNITS FROM BUILDING PERMITS 2013 – 2023
Source: City of Hamilton Building Permits

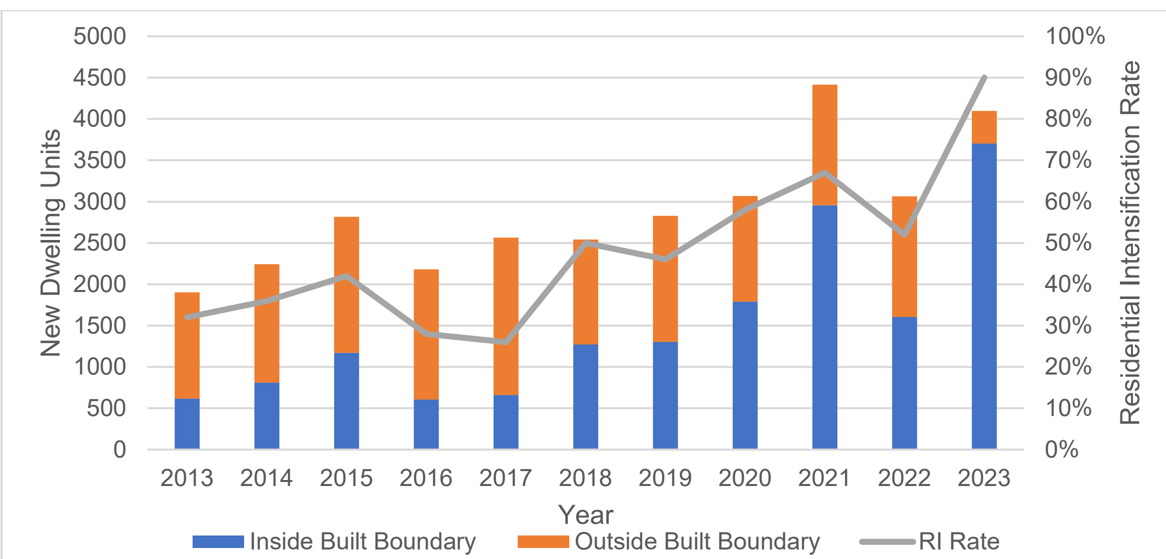


FIGURE 7: TOTAL DWELLING UNITS WITHIN BUILT BOUNDARY 2013 – 2023
Source: City of Hamilton Building Permits

3.1.4 CMHC HOUSING COMPLETIONS

Figure 8 shows the annual number of completed dwelling units by dwelling type between 2013 and 2023 based on CMHC housing completion data. The annual number of dwelling units has increased overall from 1,718 dwellings in 2013 to 2,695 dwelling units in 2023.

There is an increased lag between housing starts and housing completions which can be correlated to the higher proportion of medium and high rise developments which take significantly longer than ground oriented housing to construct (see Figure 9 below). This means the increase in housing starts for dwelling units within apartments seen in Hamilton in the past few years has not yet fully entered the housing market.

The proportion of the dwelling units based on housing completions being apartments has increased from 1.9 per cent in 2013 to 45.9 per cent in 2023; while the proportion of housing completions for single detached dwellings has decreased from 60.4 per cent to 19.1 per cent. This trend has been seen across the Greater Golden Horseshoe.

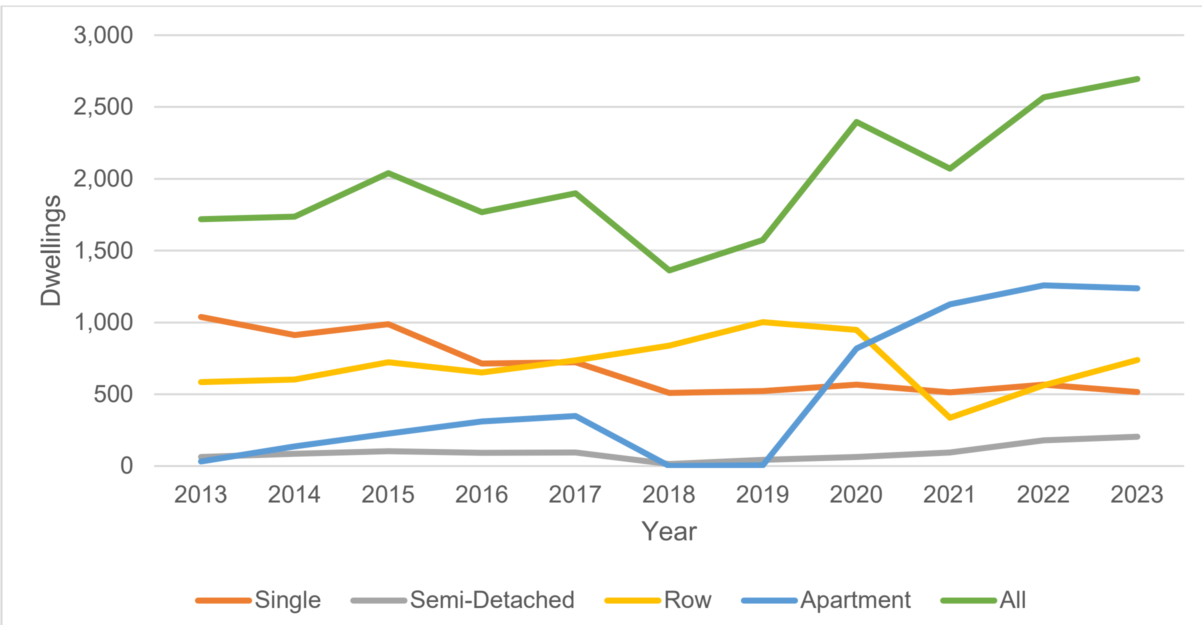


FIGURE 8: CMHC HOUSING COMPLETIONS 2013 - 2023
Source: CHMC Data - Hamilton (C) — Historical Completions by Dwelling Type

Figure 9, below, contains the average length of construction by dwelling type between 2013 and 2023. The average construction time for single, semi and townhouse dwellings has increased by 5.1 to 7.2 months between 2013 and 2023 and the average construction time for apartment dwellings has increased by 17.7 months. The construction time for apartment dwellings is significantly greater than single, semis and townhouse dwelling being 12-15 months for singles, semis and towns and 32.7 months for apartments.

As described above, the data contained in Figure 8 helps to understand the disconnect between the number of dwelling units based on housing starts or building permits and the number of dwelling units based on housing completions for a specific year and dwelling type.

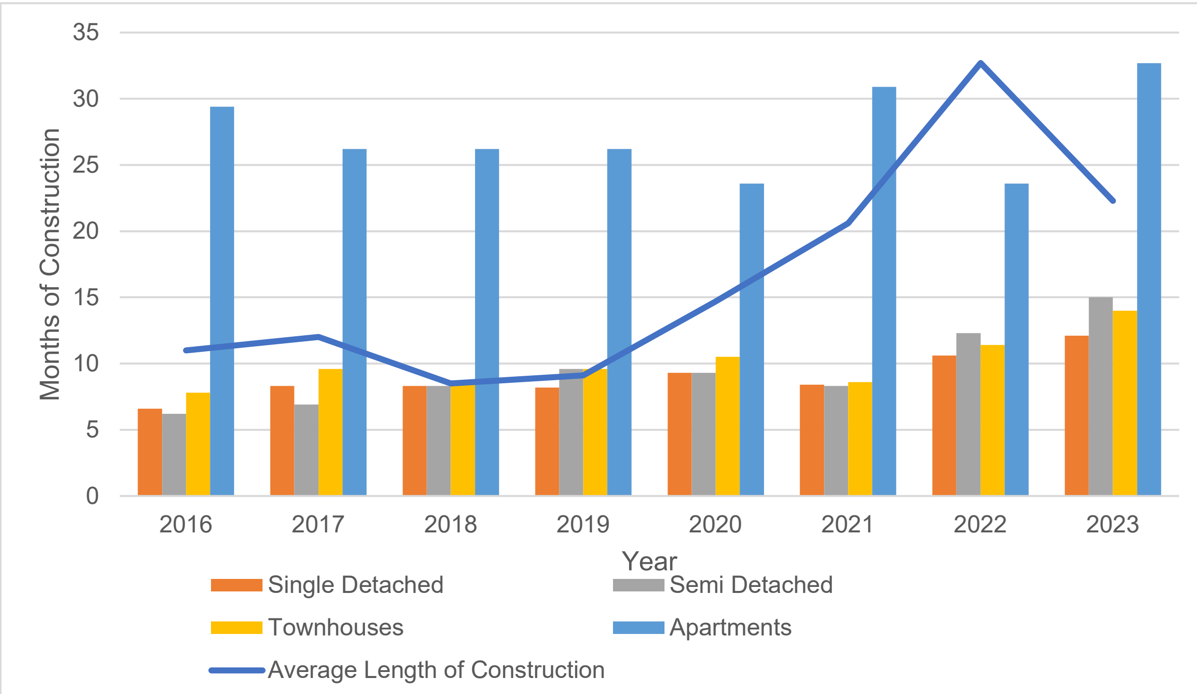


FIGURE 9: AVERAGE HOUSING COMPLETION TIME
Source: CHMC Data - Hamilton — Average Length of Construction (in months) by Dwelling Type by Zone

3.2 ADDITIONAL DWELLING UNITS AND ADDITIONAL DWELLING UNITS DETACHED

The City of Hamilton has established permissions for additional dwelling units (ADUs) in single detached, semi detached and street townhouse dwellings in the majority of low density residential zones. An additional dwelling unit is a separate and self contained dwelling unit that is accessory to and located within the principal dwelling (Figure 10). Additionally, an additional dwelling unit - detached is a separate and self contained detached dwelling unit that is accessory to and located on the same lot as the principal dwelling. Additional Dwelling Units and Additional Dwelling Units – Detached are considered apartment dwellings in the data included in Section 3.1 – Construction Activity above.

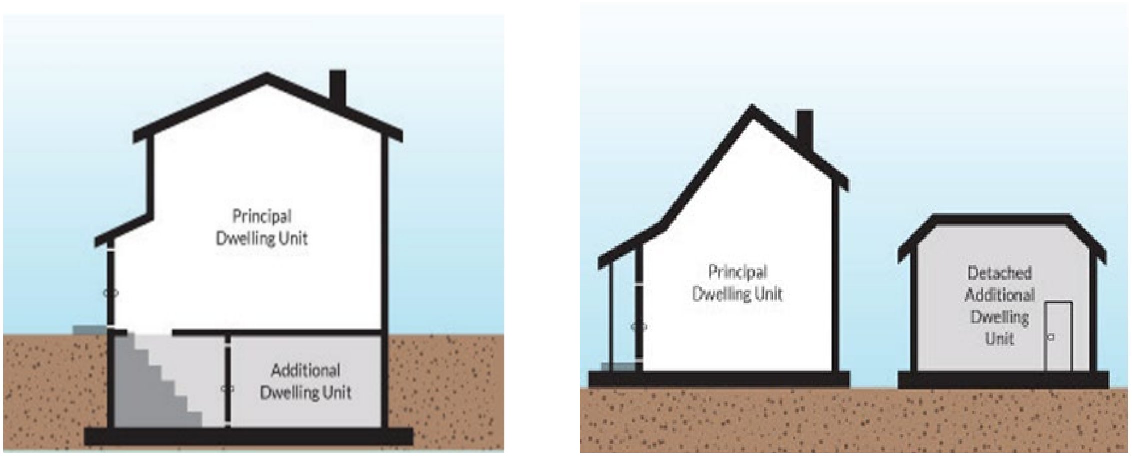


FIGURE 10: ADDITIONAL DWELLING UNITS

Source: City of Hamilton – Housing Choice in Hamilton Neighbourhoods

The number of single detached, semi detached and street townhouse dwellings which contain an additional dwelling unit and / or an additional dwelling unit – detached is another indicator of residential growth and contributes to residential intensification.

Permissions for additional dwelling units and additional dwelling units – detached were significantly expanded throughout the City of Hamilton in April of 2021 through the passing of By-law Nos. 21-070 to 21-077. At this time, permissions for additional dwelling units – detached are limited to the urban area.

Table 1 includes the total number of additional dwelling units and additional dwelling units detached approved in the City of Hamilton between 2019 and 2023. The total number of additional dwelling units has increased by approximately 400% since 2019 which indicates that landowners are taking advantage of the new permissions to construct additional dwelling units. Additional zoning permissions are being considered in 2024 to increase the number of properties which allow more than one additional dwelling unit as of right, including in the rural area.

TABLE 1: ADDITIONAL DWELLING UNITS 2019 - 2023

Dwelling Type	2019	2020	2021	2022	2023
ADU (new construction)				3	17
ADU (conversion)	151	169	212	343	459
ADU – Detached (new construction)			1	7	34
ADU – Detached (conversion)	1	1	1	8	28
Total	**152**	**170**	**214**	**361**	**538**

Source: City of Hamilton – Building Permits

Figure 11 shows the locational construction activity of the Additional Dwelling Units and Additional Dwelling Units – Detached throughout the City between 2022 and 2023.

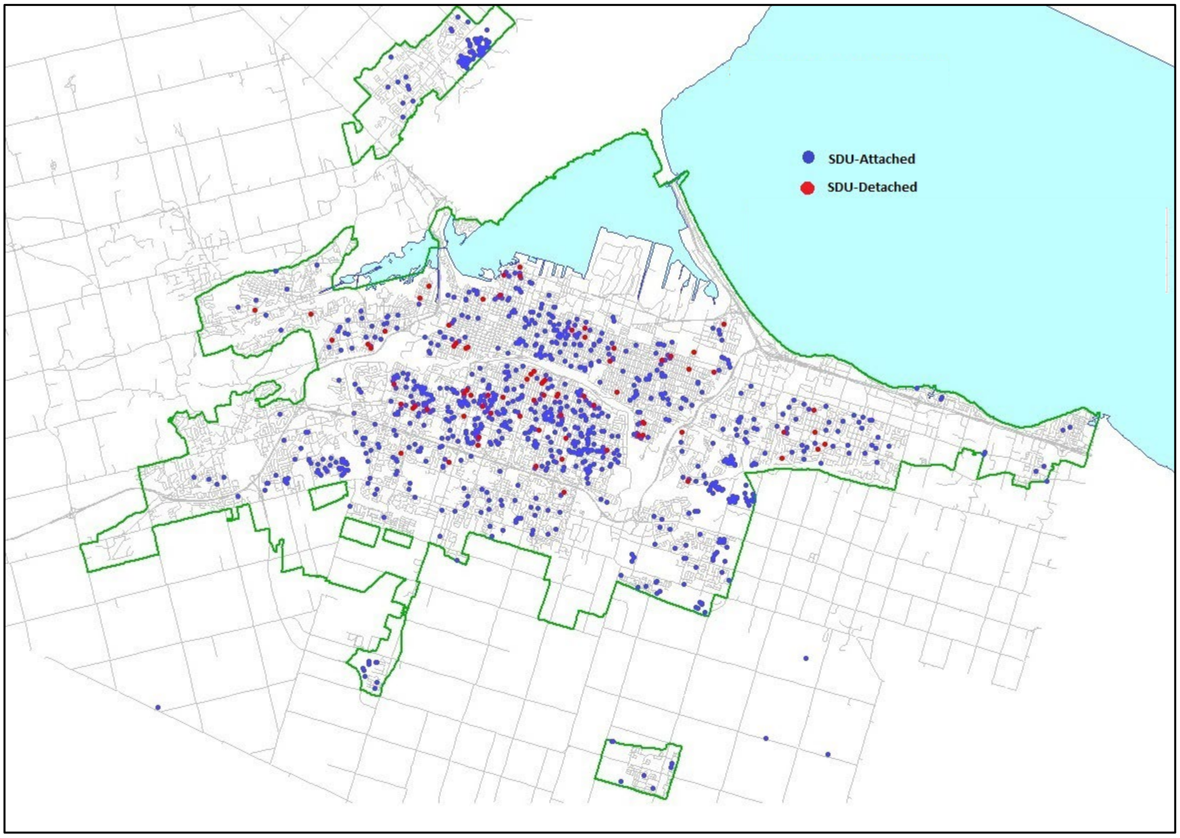


FIGURE 11: ADDITIONAL DWELLING UNIT CONSTRUCTION ACTIVITY 2022-2023
Source: City of Hamilton – Building Permits

3.3 RESIDENTIAL INTENSIFICATION

Residential intensification is defined in the Urban Hamilton Official Plan as intensification of a property, site or area within Hamilton's built-up area which results in a net increase in residential units. Types of residential intensification include:

- redevelopment of brownfield sites;
- the development of vacant or underutilized lots within previously developed areas;
- infill development;
- the conversion or expansion of existing industrial, commercial and institutional buildings for residential use; and,
- the conversion or expansion of existing residential buildings to create new residential units or accommodation, including additional dwelling units, additional dwelling units – detached and rooming houses.

3.3.1 RESIDENTIAL INTENSIFICATION TARGET

The residential intensification rate is the proportion of new residential dwellings units located within the built boundary as delineated on Appendix G – Boundaries Map of the Urban Hamilton Official Plan. Figure 12 shows the City’s residential intensification rate between 2016 and 2023 relative to the applicable Urban Hamilton Official Plan target for that year. The City’s residential intensification rate in 2023 was 90% which exceeded the Urban Hamilton Official Plan target.

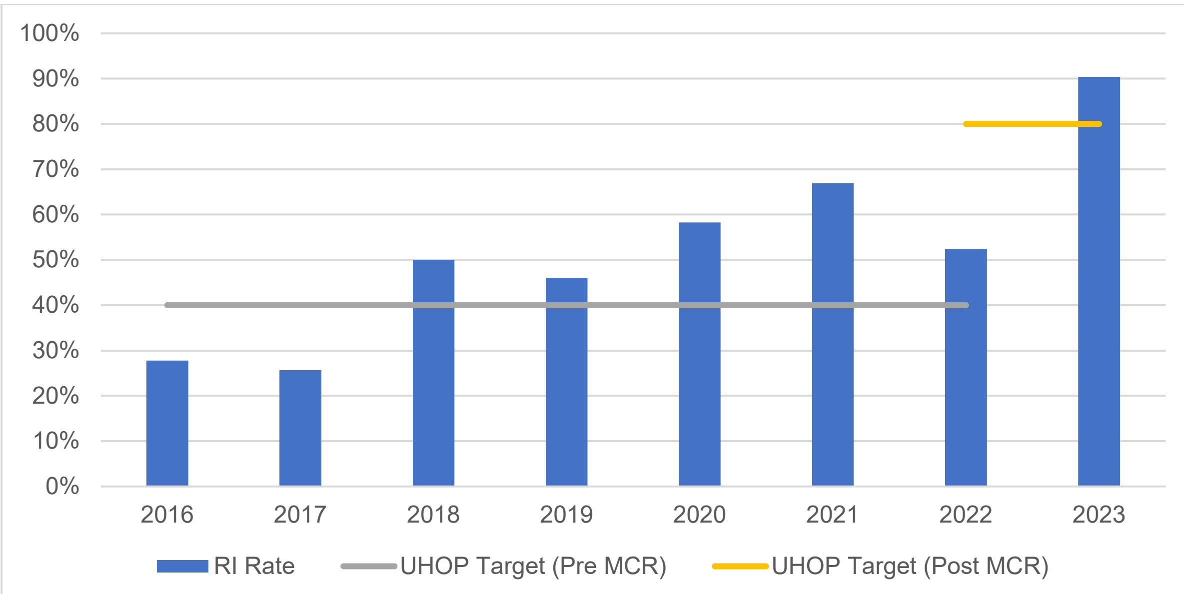


FIGURE 12: RESIDENTIAL INTENSIFICATION RATE RELATIVE TO TARGETS
Source: City of Hamilton – Building Permit Data

Policy B.2.4.1.3 of the Urban Hamilton Official Plan also includes direction on the general distribution of growth within the built boundary (residential intensification) planned to occur within the Downtown Urban Growth Centre, Urban Nodes and Urban Corridors, and Neighbourhoods within the built boundary as identified on Schedule E – Urban Structure of the Urban Hamilton Official Plan.

Table 2, below, summarizes the distribution of the number of new residential units within the built boundary located within each area since 2013 based on building permit data. For the purposes of this table, intensification occurring within both the Downtown Urban Growth Centre and along an Urban Corridor is captured in the total for the Downtown Urban Growth Centre and excluded from the total for Urban Nodes and Urban Corridors to avoid counting double counting. Neighbourhoods is considered all growth in the remaining area of the built boundary.

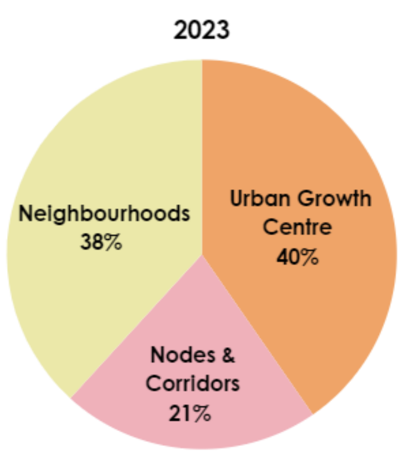
TABLE 2: RESIDENTIAL INTENSIFICATION RATE BY AREA

New Units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total	**2,183**	**2,565**	**2,540**	**2,183**	**2,565**	**2,540**	**2,826**	**3,069**	**4,414**	**3,066**	**4,097**
Within Built Boundary	618	810	1,171	607	659	1,270	1,302	1,789	2,956	1,606	3,702
Residential Intensification	32%	36%	42%	28%	26%	50%	46%	58%	67%	52%	90%
Within Downtown UGC	6	317	87	134	155	307	91	549	1,301	460	1,494
% of Residential Intensification	1%	39%	7%	22%	24%	24%	7%	31%	44%	29%	40%
UHOP Target	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**30%**	**30%**
Within Urban Nodes & Corridors	111	248	476	72	234	257	380	332	772	429	793
% of Residential Intensification	18%	31%	41%	12%	35%	20%	29%	19%	24%	27%	21%
UHOP Target	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**
Within Neighbourhoods	501	245	609	402	270	706	831	908	933	717	1,415
% of Residential Intensification	81%	30%	52%	66%	41%	56%	64%	51%	32%	45%	38%
UHOP Target	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**30%**	**30%**

Source: City of Hamilton – Building Permit Data

Over the past 10 years, residential intensification within the Downtown Urban Growth Centre and within Neighbourhoods has generally exceeded the targeted distribution in the Urban Hamilton Official Plan except for certain years.

Between 2013 and 2023, growth in the Downtown Growth Centre has increased from representing 1% of all new units within the built boundary to 40%. Contrarily, growth within Neighbourhoods has decreased from 81% in 2013 to 38% in 2023. The distribution in 2023 is generally aligned with the distribution in the Urban Hamilton Official Plan however growth within the Urban Nodes and along the Urban Corridors is significantly lower than targeted, being 21% compared to the targeted distribution of 40%.



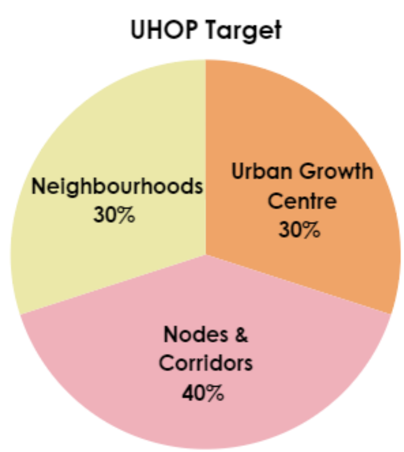


Figure 13 shows the distribution of growth for each type of area based on a five year average relative to the Urban Hamilton Official Plan target. This distribution is similar to the distribution seen in 2023, with growth in the Urban Growth Centre (34%) and Neighbourhoods (42%) exceeding the Official Plan target and growth in the Urban Nodes and Corridors (23%) being significantly lower than the target.

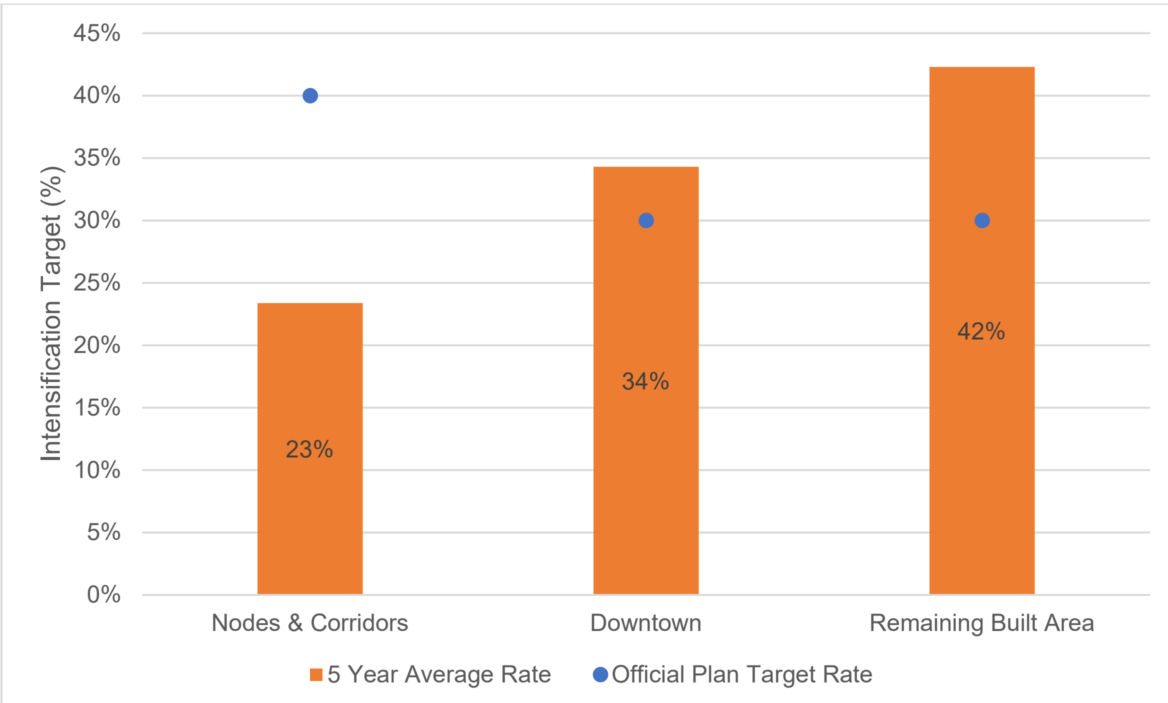


FIGURE 13: RESIDENTIAL INTENSIFICATION RATE BY AREA - 5 YEAR AVERAGE VS. TARGETS
Source: City of Hamilton

4.0

PLANNED DENSITY

4.0 PLANNED DENSITY

Table 3 contains a summary of all the applicable Official Plan targets.

TABLE 3: CITY OF HAMILTON PLANNED DENSITY TARGETS

Area	UHOP (pjh)
Urban Growth Centres	500
Sub Regional Nodes	200
Community Nodes	100
Transit Station Areas	TBD
Designated Greenfield Areas	60
Employment Areas	29 (jph)

4.1 INTENSIFICATION AREAS

Table 4, below, lists all the intensification areas within the City of Hamilton under the three categories being Urban Growth Centres (1), Sub Regional Nodes (2) and Community Nodes (9) and their respective densities. The average density for each type of intensification area in 2023 is as follows:

- Urban Growth Centre - 287 persons and jobs per hectare
- Sub Regional Nodes - 72 persons and jobs per hectare
- Community Nodes - 63 persons and jobs per hectare

The average densities for each type of intensification area are below the Official Plan but the density for the Urban Growth Centre exceeds the Growth Plan target. Table 4, below, contains a breakdown of the density calculation for each intensification area in 2023. The Downtown Dundas Community Node and Downtown Stoney Creek Community Node are within the density range established for Community Nodes identified in the Urban Hamilton Official Plan.

TABLE 4: DENSITY OF INTENSIFICATION AREAS 2023

Intensification Area	Gross Land Area (ha)	Net Land Area (ha)	Units	Pop.	Jobs	Density (pjh)
Urban Growth Centres	**169**	**169**	**13,147**	**23,379**	**25,018**	**287**
Downtown	169	169	13,147	23,379	25,018	287
Sub Regional Nodes	**177**	**177**	**2,017**	**3,652**	**9,087**	**72**
Limeridge	75	75	634	1,201	4,788	80
Eastgate	102	102	1,383	2,452	4,299	66
Community Nodes	**872**	**838**	**21,109**	**39,316**	**52,989**	**110**
Downtown Dundas	47	47	1,685	3,149	2,527	121
Downtown Ancaster	113	79	691	1,521	1,860	43
Downtown Flamborough	45	45	599	1,212	2,824	89
Downtown Stoney Creek	29	29	1,348	2,445	716	108
Centre Mall	37	37	249	460	1,745	59
Meadowlands	89	89	395	927	2,909	43
East Mountain / Heritage Green Centre	35	35	93	243	1,654	55
Upper James / Rymal Road	55	55	34	92	3,063	58
Elfrida Node	76	76	851	2,235	1,586	50

Source: City of Hamilton

Figure 14, below, shows the distribution of unit types in each intensification area for 2023. The predominant unit type in the Downtown Urban Growth Centre, Limeridge Sub Regional Node, Eastgate Sub Regional Node, Downtown Dundas Community Node, Downtown Stoney Creek Community Node and Centre Mall Community Node is apartment dwellings, comprising of 85% or more of the total dwelling units in the area. In the East Mountain / Heritage Green Community Node and Elfrida Community Node the predominant form of unit is townhouse dwellings. The only intensification with the predominant dwelling form being single detached and semi detached dwelling is the Upper James / Rymal Road Community Node.

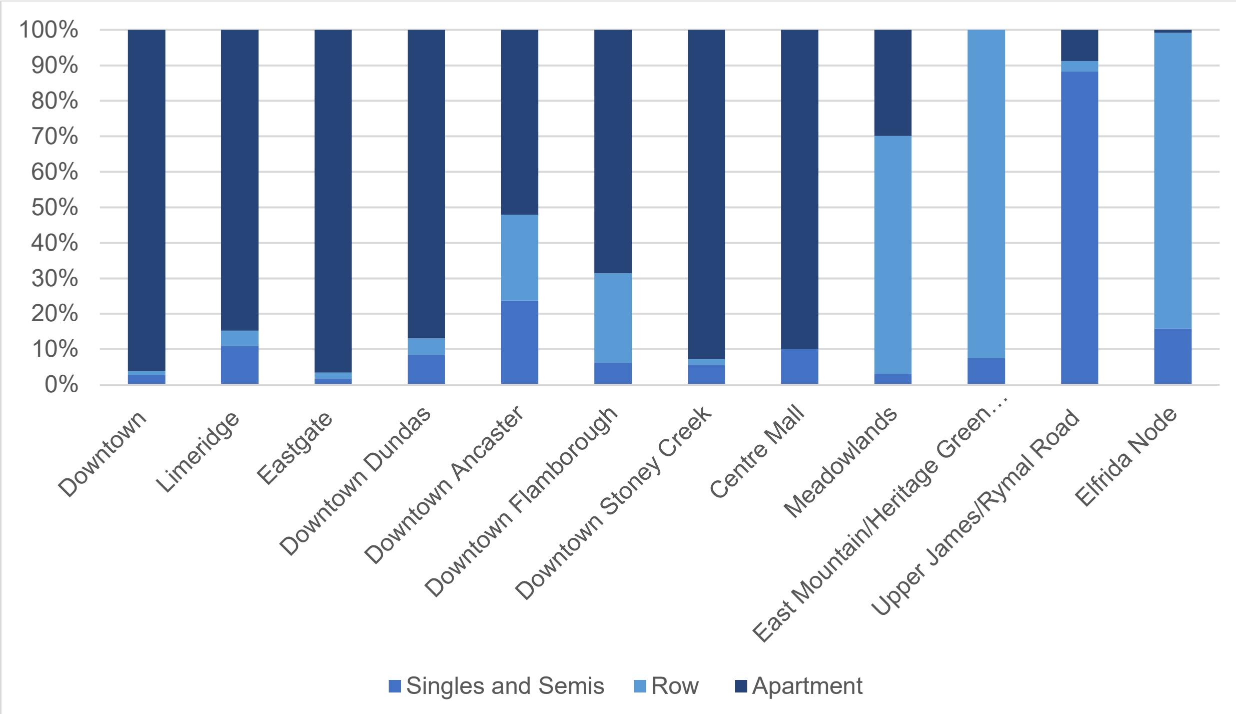


FIGURE 14: UNIT TYPES IN INTENSIFICATION AREAS 2023
Source: City of Hamilton

4.2 DESIGNATED GREENFIELD AREAS

Designated Greenfield Areas are lands within the urban area but outside of delineated built boundary which are available to accommodate some of the forecasted growth. New Designated Greenfield Areas can only be added to the urban boundary through a Municipal Comprehensive Review. The Designated Greenfield Areas within the City of Hamilton are: Waterdown, Dundas, Lower Hamilton Mountain, Mount Hope / Binbrook, Upper Stoney Creek and Lower Stoney Creek. These lands are identified in green in Figure 15 below. A significant portion of the Designated Greenfield Area in the City of Hamilton has already been developed or is subject to approved development applications.

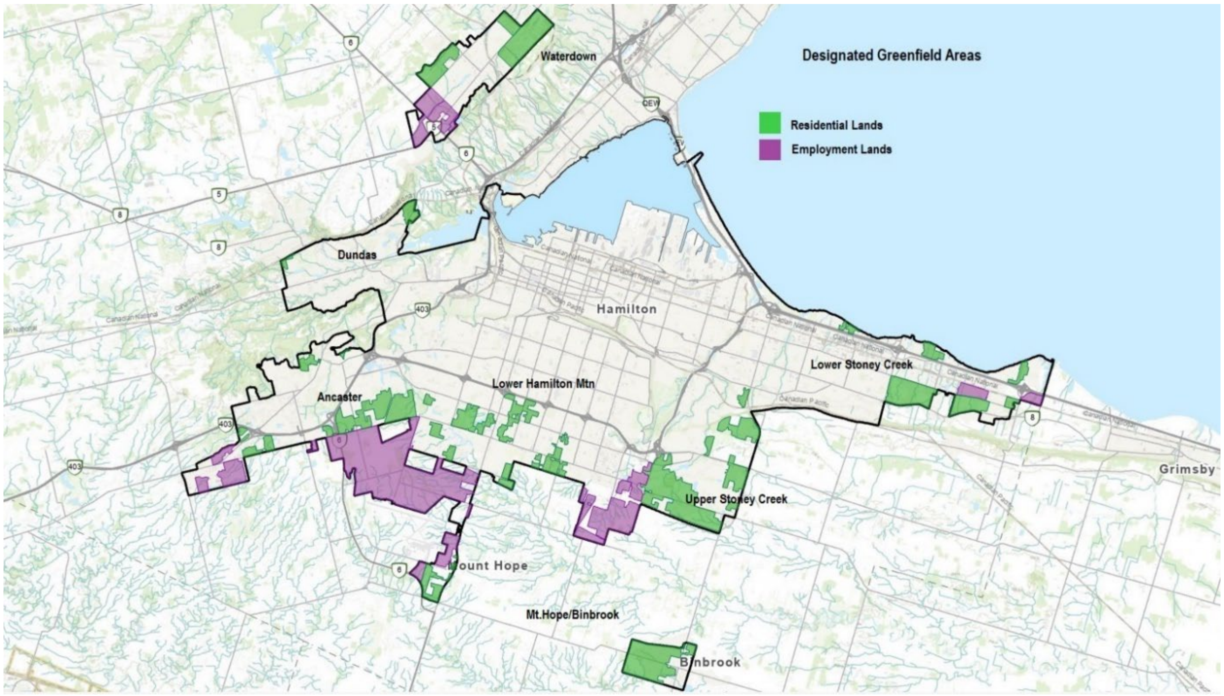


FIGURE 15 - DESIGNATED GREENFIELD AREAS
Source: City of Hamilton

When calculating the density of the Designated Greenfield Areas, the following lands are excluded from the calculation: core areas (as defined in the Urban Hamilton Official Plan), rights of ways and cemeteries. The density calculation includes both existing units and proposed units which are draft approved. Table 5 contains the breakdown of the density calculations for Designated Greenfield Areas in 2023. The average density of all the Designated Greenfield Areas in the City of Hamilton is 60 persons and jobs per hectare which is the Urban Hamilton Official Plan target.

TABLE 5: PLANNED DENSITY OF DESIGNATED GREENFIELD AREAS

Area	Gross Area (ha)	Net Area (ha)	Units (Existing & proposed)	Population (Existing & proposed)	Jobs	Density (PJH)
Waterdown	347	285	6,291	16,320	478	**59**
Dundas	52	25	181	569	17	**23**
Ancaster	320	269	4,690	15,012	544	**58**
Lower Hamilton Mountain	352	338	4,632	18,089	599	**55**
Mount Hope / Binbrook	339	313	5,126	16,280	504	**54**
Upper Stoney Creek	587	480	9,583	26,802	2,766	**62**
Lower Stoney Creek	344	334	8,643	23,516	760	**73**

Source: City of Hamilton

Figure 16 shows the Designated Greenfield Areas relative to the Urban Hamilton Official Plan target. The Designated Greenfield Areas in Upper and Lower Stoney Creek exceed the Official Plan target.

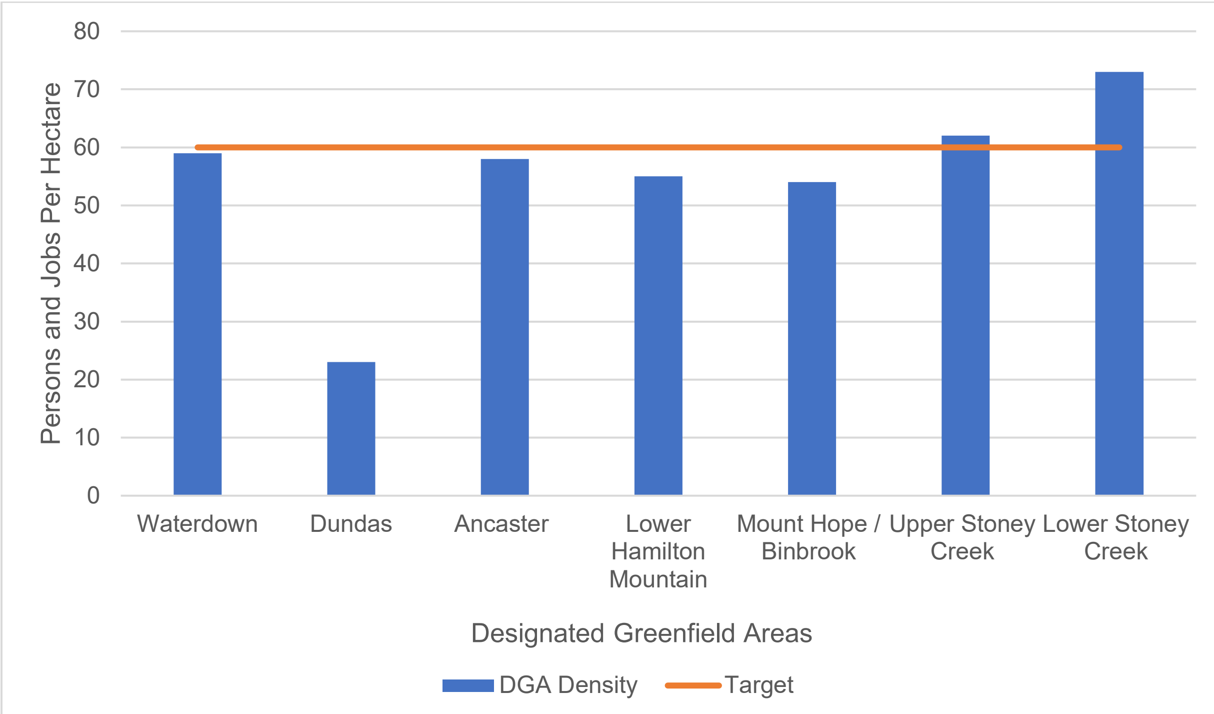


FIGURE 16: DESIGNATED GREENFIELD AREA DENSITY
Source: City of Hamilton

5.0

RESIDENTIAL LAND & HOUSING SUPPLY

5.0 RESIDENTIAL LAND & HOUSING SUPPLY

5.1 RESIDENTIAL LAND SUPPLY

The Provincial Policy Statement (PPS) directs municipalities to maintain a supply of land available to accommodate residential growth for a minimum of 15 years through residential intensification and redevelopment and, if necessary, lands which are designated and available for residential development. Based on the City's projected population growth, this translates to a demand for 60,903 new residential dwellings between 2023 to 2038.

As described below, the City of Hamilton forecasts the supply of new residential dwellings through monitoring the amount of vacant residential land available and *Planning Act* applications together with trends in additional dwelling units and residential intensifications.

5.1.1 Vacant Residential Land Supply

The Vacant Residential Land Supply monitors the supply of vacant urban residential land within the City of Hamilton which aids in determining if the supply meets the requirements of the Provincial Policy Statement. Table 6 summarizes the supply of vacant residential land and the total supply that is fully serviced by former municipality within and outside the built boundary.

TABLE 6: VACANT RESIDENTIAL LAND SUPPLY 2023

Area	Units	Vacant Residential Land (hectares)
Outside Built Boundary		
Ancaster	951	29.0
Dundas	0	0.0
Flamborough	3,941	36.4
Glanbrook	2,975	71.7
Hamilton	2,739	73.2
Stoney Creek	8,977	148.5
Within Built Boundary		
Ancaster	499	11.6
Dundas	377	5.2
Flamborough	146	2.4
Glanbrook	432	10.4
Hamilton	13,490	50.6
Stoney Creek	4,647	42.0
City Wide	39,174	481

Source: City of Hamilton

Looking at previous years, Table 7 summarizes the vacant residential land supply between 2017 and 2023.

TABLE 7: VACANT RESIDENTIAL UNIT SUPPLY 2017 – 2023

	2017	2018	2019	2020	2021	2022	2023
Designated Greenfield Areas							
Low Density Units	6,420	6,816	6,248	5,629	4,801	4,181	4,082
Medium Density Units	7,499	8,731	8,088	7,875	7,797	7,450	7,515
High Density Units	3,683	5,561	8,334	8,157	8,133	8,686	7,986
Total	**17,602**	**21,108**	**22,670**	**21,661**	**20,731**	**20,317**	**19,583**
Built Boundary							
Low Density Units	1,188	1,108	1,136	1,046	1,014	750	711
Medium Density Units	746	1,532	1,765	1,860	1,675	1,625	1,449
High Density Units	4,993	7,022	6,352	10,003	12,104	14,780	17,431
Total	**6,927**	**9,662**	**9,253**	**12,909**	**14,793**	**17,155**	**19,591**
Total Vacant Residential Unit Supply	**24,529**	**30,770**	**31,923**	**34,570**	**35,524**	**37,472**	**39,174**

Source: City of Hamilton

Figure 17, below, shows the amount of residential vacant land has generally been decreasing from almost 700 hectares in 2013 to 481 hectares in 2023. The increase in vacant residential land shown between 2017-2018 is attributed to the Fruitland-Winona Secondary Plan area being added to the vacant residential land supply which previously had not been included. While the amount of vacant residential land has been decreasing, the total number of dwelling units has been increasing, particularly since 2018. This can be attributed to the amendments to the Urban Hamilton Official Plan and Zoning By-law to expand and increase residential land use permissions.

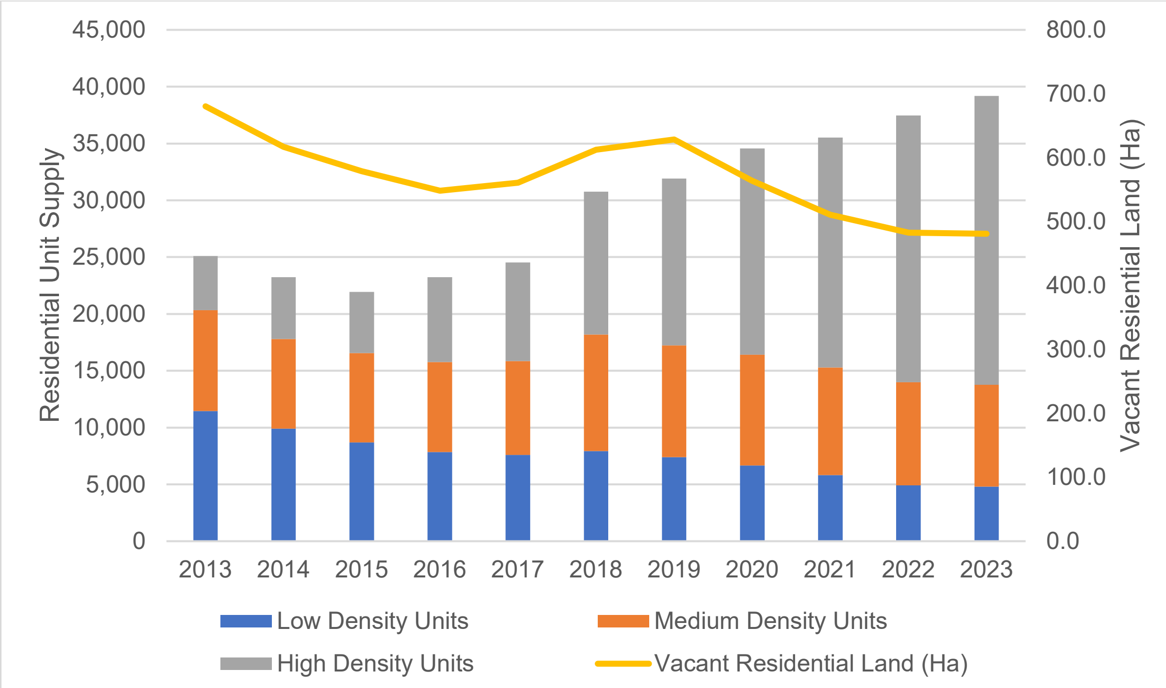


FIGURE 17: HAMILTON AND PROJECTED DWELLINGS
Source: City of Hamilton

5.1.2 *Planning Act* Applications

The City of Hamilton tracks the number of residential dwellings proposed through *Planning Act* applications submitted including Official Plan Amendment, Zoning By-law Amendment, Draft Plan of Subdivision and Site Plans. To project the number of proposed dwellings that will come in line in future years through these applications, the City only counts new dwellings that have received approvals as being constructed in the next 10 years. Beyond 10 years, the City considers planning applications that have been submitted but have not yet been approved.

Based on this, the city projects that between 2023 to 2031, 6,750 additional dwellings will be constructed. Then from 2031-2038 the projected number of dwellings increases to 8,400 driven in part to a number of large-scale intensification projects that are currently in the Official Plan and/or Zoning By-law Amendment stage.

5.1.3 Additional Dwelling Units

As summarized in Section 5.2 of this report, the number of Building Permits issued for new Additional Dwelling Units (ADUs) has increased significantly in recent years to 538 in 2023. Driven by a number of factors including the work underway to increase as a right land use permissions for ADU's across the City (including rural areas) and new funding programs available to landowners to construct ADU's, this trend is projected to continue. Based on the recent growth in new ADU construction, increased ADU zoning permissions together and forecasted demand for new ground oriented housing, the City projects that over the next 15 years, an additional 12,160 ADU's will be constructed, or approximately 760 annually.

5.1.4 Long Term Intensification Opportunities

Through the recent completion of the Growth Related Integrated Development Strategy (GRIDS2), the City undertook a Residential Intensification Supply Update. The update calculated both short term intensification opportunities through an analysis of both current *Planning Act* applications (which are captured above under *Planning Act* applications) and long term opportunities through an assessment of Formal Consultation applications and underutilized properties.

Over the long term (2031-2051), the Update projected 17,925 new dwellings. For the purpose of calculating the City's 15 year housing supply, this equates to 1,000 new dwellings starting in 2031.

5.2 15 YEAR SUPPLY

As illustrated in Figure 18, based on the City’s analysis of vacant residential land, active *Planning Act* applications, forecasted new ADU’s and other long term intensification opportunities, a total residential supply of 66,087 dwellings is forecasted, exceeding the forecasted 15 year demand by approximately 5,000 dwellings.

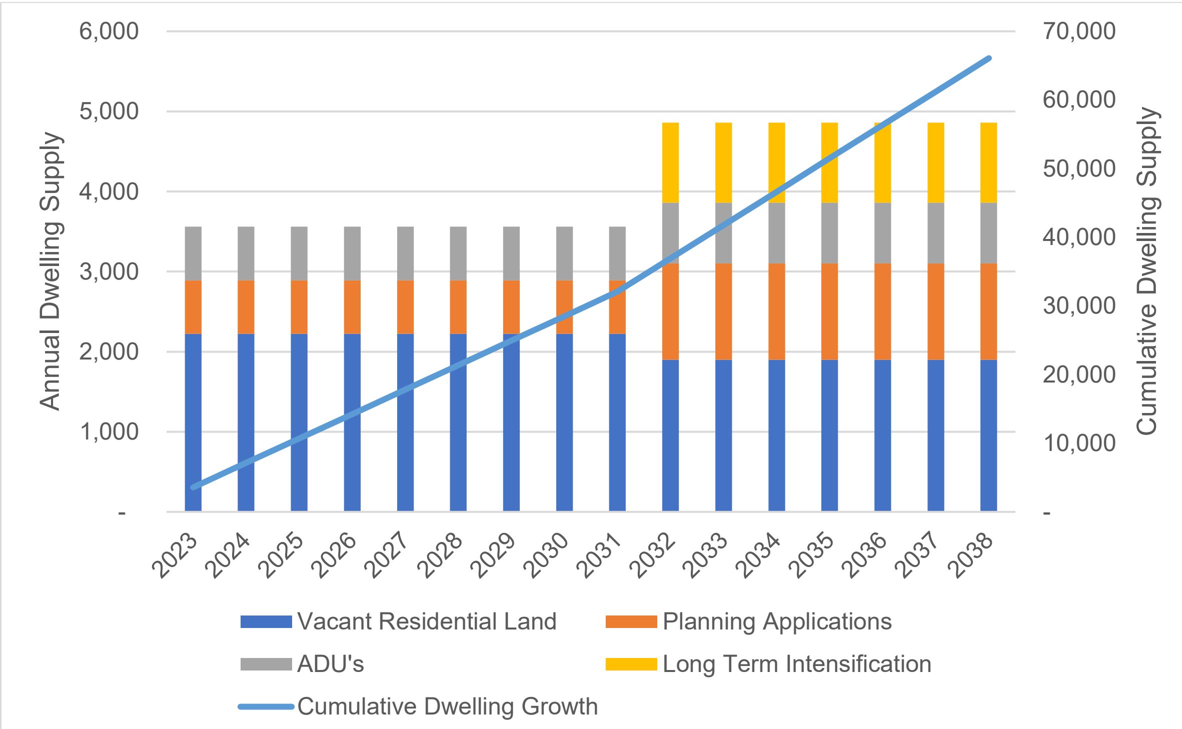


FIGURE 18: 15 YEAR DWELLING SUPPLY (2023-2038)

Source: City of Hamilton

It is important to note that the forecasted residential dwelling supply will be updated annually with new development data together with a review of existing assumptions based on new development trends.

5.3 RANGE AND MIX OF HOUSING TYPES

The Growth Plan and the Urban Hamilton Official Plan promotes the accommodation of a range and mix of housing options. The indicators of providing a range and mix of housing include housing types and tenures, and dwelling size (i.e., number of bedrooms).

5.3.1 Housing Type

Figure 19 shows the distribution of new dwelling units by dwelling type over time for the City of Hamilton in 2023 based on the CHMC starts and completions survey. The proportion of apartments dwellings compared to single detached, semi detached and street townhouses has been increasing over time, particularly since 2016. In 2023, 70% of new dwelling units were apartments, 21% were townhouses and 9% were single and semi-detached dwellings.

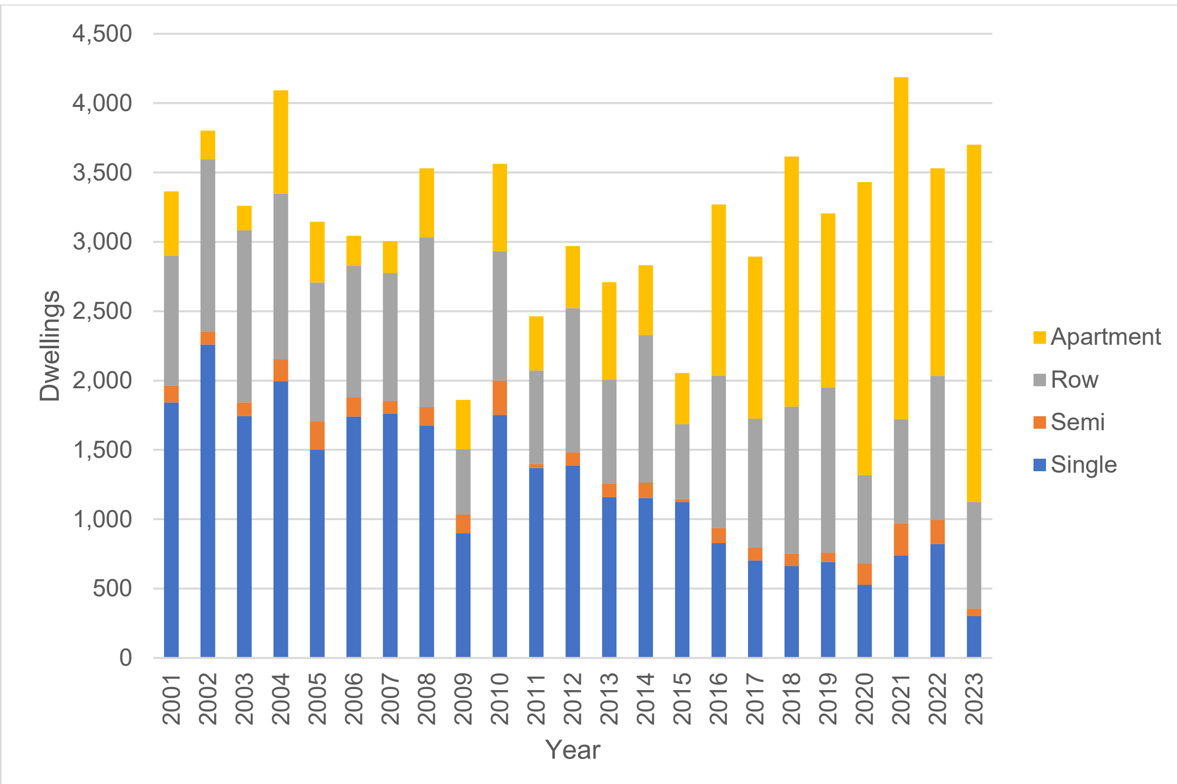


FIGURE 19: NEW DWELLINGS BY DWELLING TYPE 2001-2023
Source: CMHC Starts and Completions Survey (Hamilton — Starts by Dwelling Type by Zone)

5.3.2 Housing Tenure

Table 8 summarizes the dwellings types by tenure for the City of Hamilton in 2023 based on the CHMC starts and completions survey.

TABLE 8: DWELLING TYPES BY TENURE 2023

Dwelling Type	Total Units	Rental		Homeowner		Condo	
Single detached	226	0	0%	226	100%	0	0%
Semi detached	22	0	0%	22	100%	0	0%
Townhouses	557	0	0%	429	77%	128	23%
Apartments	2,542	487	19.2%	0	0%	2,055	80.8%
Total	3,347	487	14.6%	677	20.2%	2,183	65.2%

Source: CMHC Starts and Completions Survey (Hamilton (C)— Starts by Dwelling Type by Zone)

In 2023, all single detached and semi detached dwelling units had homeowner tenure which has remained fairly consistent over time with few single detached and semi detached dwellings having rental or condominium tenure since 2001. In 2023, 81.1% of new apartments had condominium tenure and 18.9% were rental.

Figure 20 shows the distribution of tenure for all housing completions over time. In 2023, the proportion of housing completions was 27% homeownership, 13% rental and 60% condominium. The Urban Hamilton Official Plan establishes a target that 73% of all dwelling units should be ownership tenure (homeowner and condominium) and 27% should be rental. 2022 was the only year since 2001 where the proportion of rental units exceeded 27%. This indicates the City should focus on increasing the proportion of purpose built rental units being constructed.

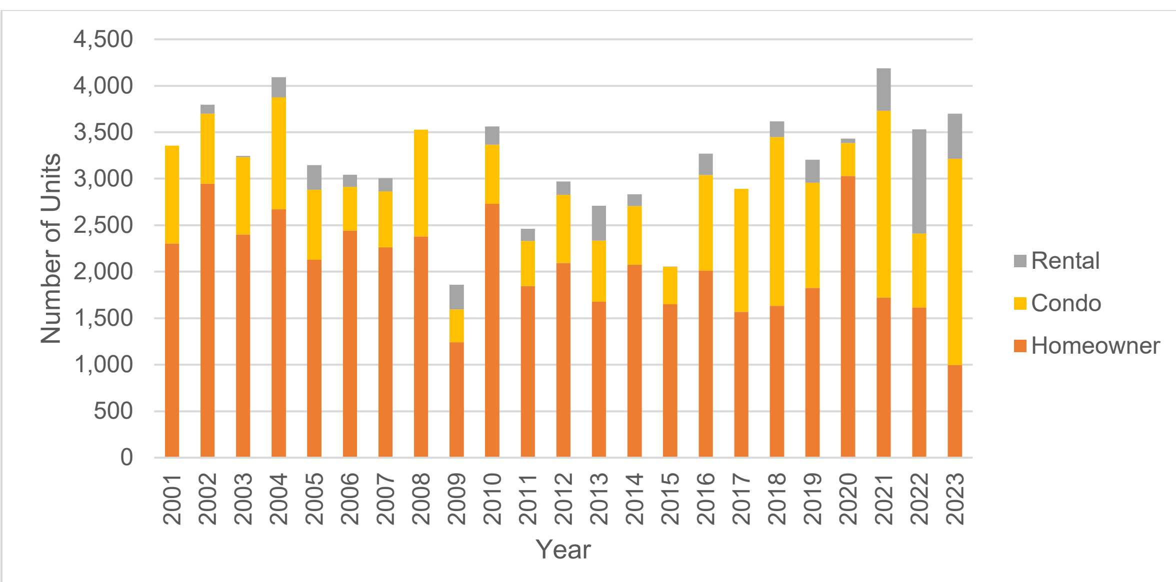


FIGURE 20: NEW DWELLINGS BY TENURE 2001-2023
Source: CMHC Starts and Completions Survey (Hamilton — Starts by Dwelling Type by Zone)

5.4 RENTAL HOUSING SUPPLY

5.4.1 Rental Housing Units

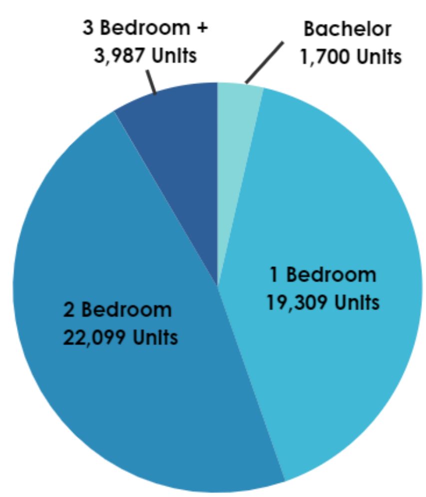
CMHC reports data based on a rental market survey which includes data on vacancy rates, turnover rates and universe counts (total rental dwellings). The data provided for Hamilton is for the Hamilton Census Metropolitan Area (CMA).

The total number of purpose built rental units in the City has remained relatively flat between 2019 (44,012 units) and 2023 (44,765 units). The number of rental units may see an increase in the coming years as the recent increase in rental housing starts are still under construction and not accounted for in the rental market survey.

Additionally, demolitions and conversions of existing rental housing units contribute to the total number of rental units remaining consistent over time. Over the last 12 years, there have been 14 applications for condominium conversions submitted and draft approved in the City, nine of which have completed the process of registering the Condominium Corporation. The 14 applications represent a total of 1,054 dwelling units. An additional 22 applications were approved between 2005 and 2009, totaling 1,401 units.

Based on demolition permits affecting multiple dwellings with four or more dwelling units between 2005 and 2021, excluding demolitions involving CityHousing Hamilton (CHH) developments, eight demolitions occurred, removing 80 rental units. Two redevelopments included rental units, for a total of 129 rental units, which has offset the number of units lost to demolition.

CMHC data shows that 11.1% of condominium units were rented in 2023, an increase from 6.8% in 2019. It should be noted that condominiums do not include units rented within buildings under homeownership. It is important to note that data on the percentage of units rented within single detached, semi-detached, duplex dwellings as well as Additional Dwelling Units is not reported in the rental market survey. Within the Hamilton Census Metropolitan Area, the vast majority of reported rented dwelling units are apartments (95%) compared to townhouses (5%).



The proportion of bachelor, one bedroom, two bedroom and three bedroom for rental apartments has remained fairly consistent over the last 10 years. In 2023, the distribution of rental apartments was 5% bachelor units, 44% one bedroom units, 45% two bedroom units, and 7% three bedroom units. One and two bedroom units makes up the majority of the total number of rental dwellings within the Hamilton CMA, making a combined 89% of all rental dwellings. Staff note that when rented townhouse dwellings are separated out, the percentages are almost flipped with 64% of townhouses having 3+ bedrooms.

5.4.2 VACANCY & TURNOVER RATES

CMHC reports vacancy rates for rental units for the City of Hamilton. The rental vacancy rate is the percentage of all available units in a rental property that are vacant or unoccupied at a particular time. The rental vacancy rate is an indicator of an adequate provision of a full range of housing and used to evaluate conversions of rental apartments to condominiums in accordance with Policy B.3.2.5.1 of the Urban Hamilton Official Plan.

The vacancy rate for the City of Hamilton's rental universe by unit size is shown in Figure 21. The vacancy rate for all apartment types in the City of Hamilton was 2.2% in 2023. A vacancy rate lower than 2.0% indicates there may be an inadequate supply of rental housing and rental housing should be protected from conversion to condominium based on Policy B.3.2.5.1 or the Urban Hamilton Official Plan. The vacancy rate for bachelor apartments and three bedroom apartments was less than 2.0% in 2023 indicating an inadequate supply of these apartment types in the rental market supply.

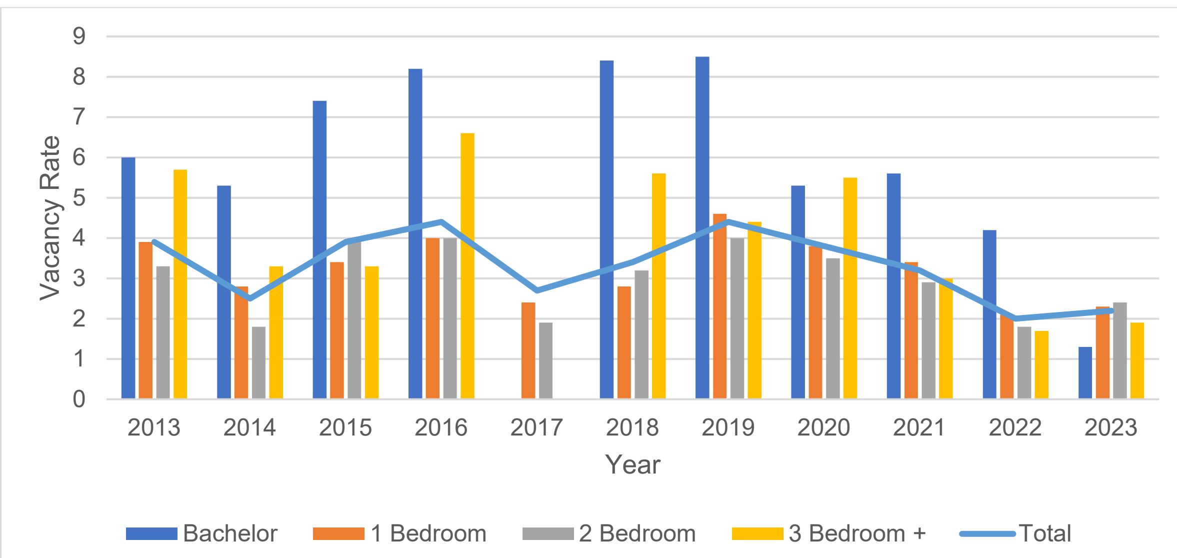


FIGURE 21: VACANCY RATE BY BEDROOM TYPE
Source: CHMC Rental Market Survey – Hamilton (C) — Historical Vacancy Rates by Bedroom Type

The vacancy rate has generally been declining for purpose built rental apartments while the number of total rental units within the rental overall has remained fairly consistent in recent years as shown in Figure 22, below. This identifies a potential misalignment between the supply of rental units and the demand for rental units.

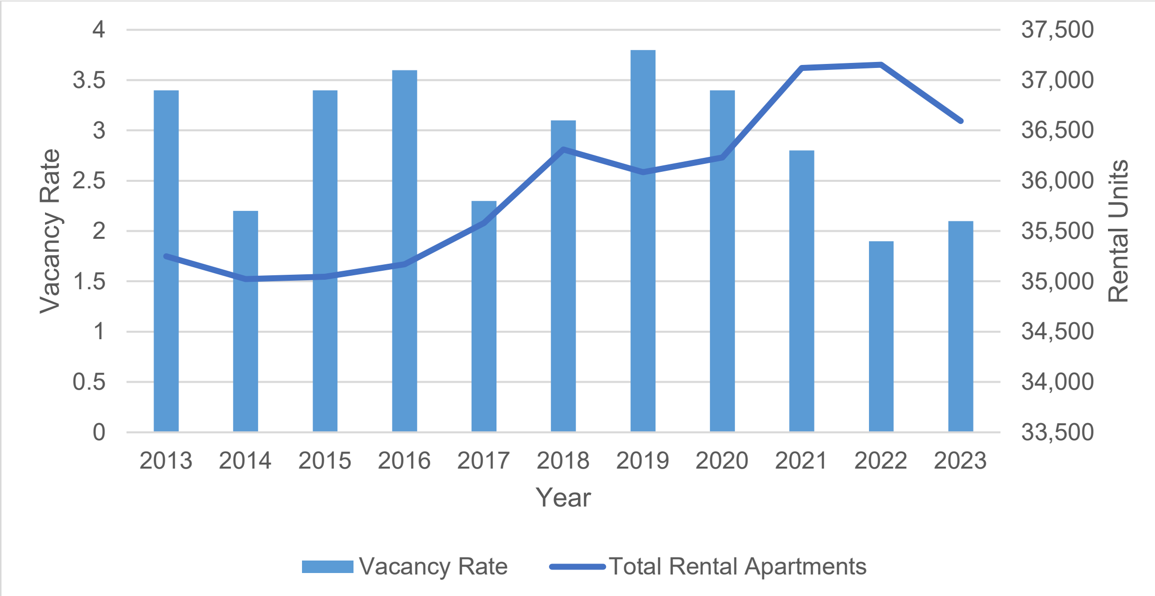


FIGURE 22: VACANCY RATES VS NUMBER OF RENTAL UNITS
Source: CMHC Rental Market Survey

The CMHC Rental Markey Survey reports on the vacancy rates for condominium apartments and purpose built rental apartments. As per Figure 23, the vacancy rate has been very low for condominium apartments with a significant increase in 2023 where the vacancy rate exceed that for purpose built rental apartments. While the Rental Market Survey is based on the Hamilton Census Metropolitan Area data, the data included in Figures 21 to 22 are based on the Hamilton Census subdivision.

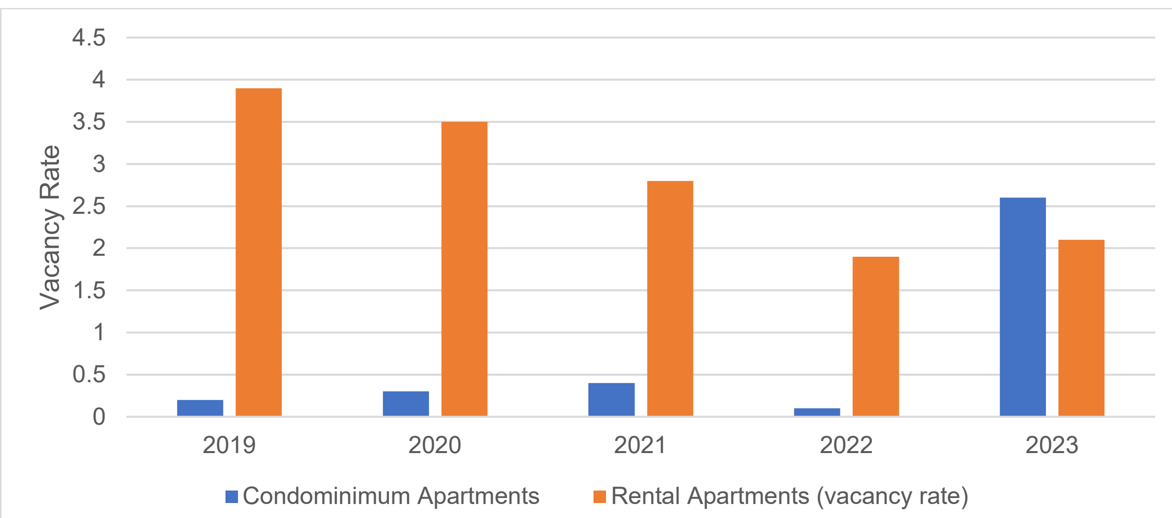


FIGURE 23: VACANCY RATES BY TENURE
Source: CMHC Rental Market Survey

The turnover rate refers to the percent of units that were occupied by a new tenant who moved in within the past 12 months. A unit can be counted as being turned over more than once within a 12-month period. The turnover rates has been decreasing in the City of Hamilton since 2018, which may be correlated with increasing rent shown in Figure 24.

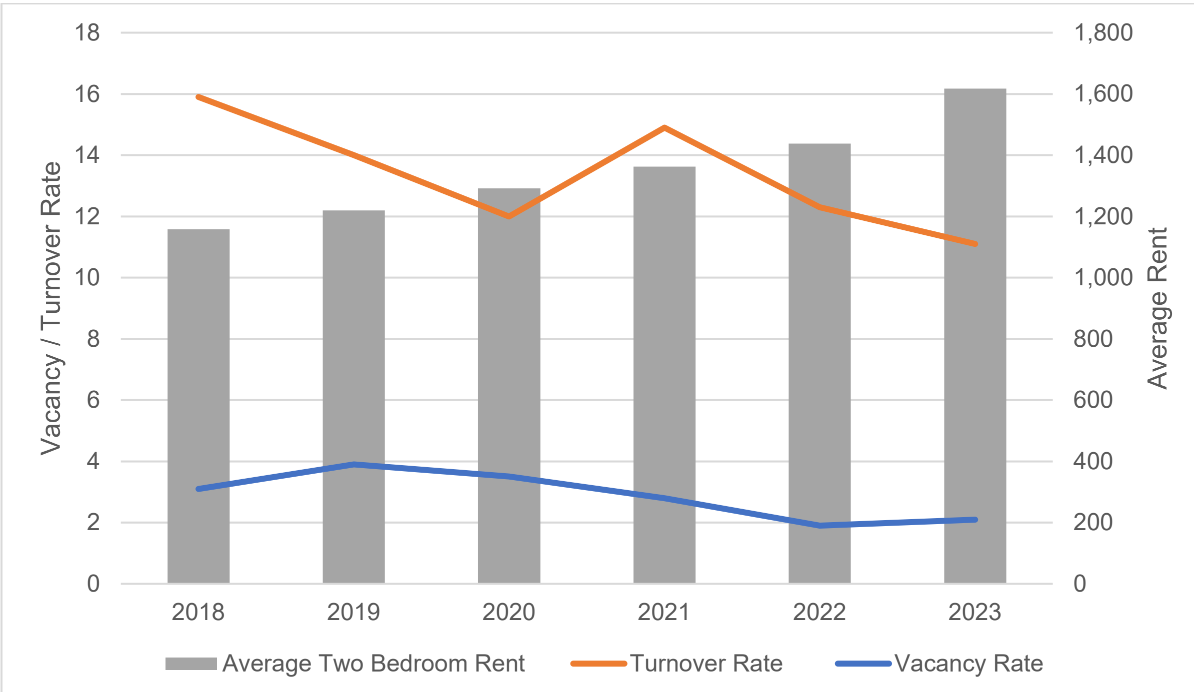


FIGURE 24:VACANCY RATE, TURNOVER RATE AND AVERAGE RENT
Source: CMHC Rental Market Survey

6.0

COST OF HOUSING

6.0 COST OF HOUSING

The cost of housing refers to the amount required to be spent on housing based on unit size, tenure and location within the City of Hamilton. The cost of housing in Hamilton has been consistently increasing over the past 10 years with the steepest increase seen between 2022 and 2023. The City has obtained information on average rent and average purchase prices through CMHC and real estate websites.

6.1 AVERAGE RENT

The average price of rent for the different types and unit sizes of apartment dwellings between 2013 and 2023 is shown in Figure 24. The average rent for all apartment dwellings has been increasing consistently over the past 10 years with a growth rate of approximately 43% between 2013 and 2023. The highest annual increase in the past 10 years was seen between 2022 and 2023. The steep change in rent between 2022 and 2023 was primarily for one and two bedroom apartments and apartments within townhouse dwellings.

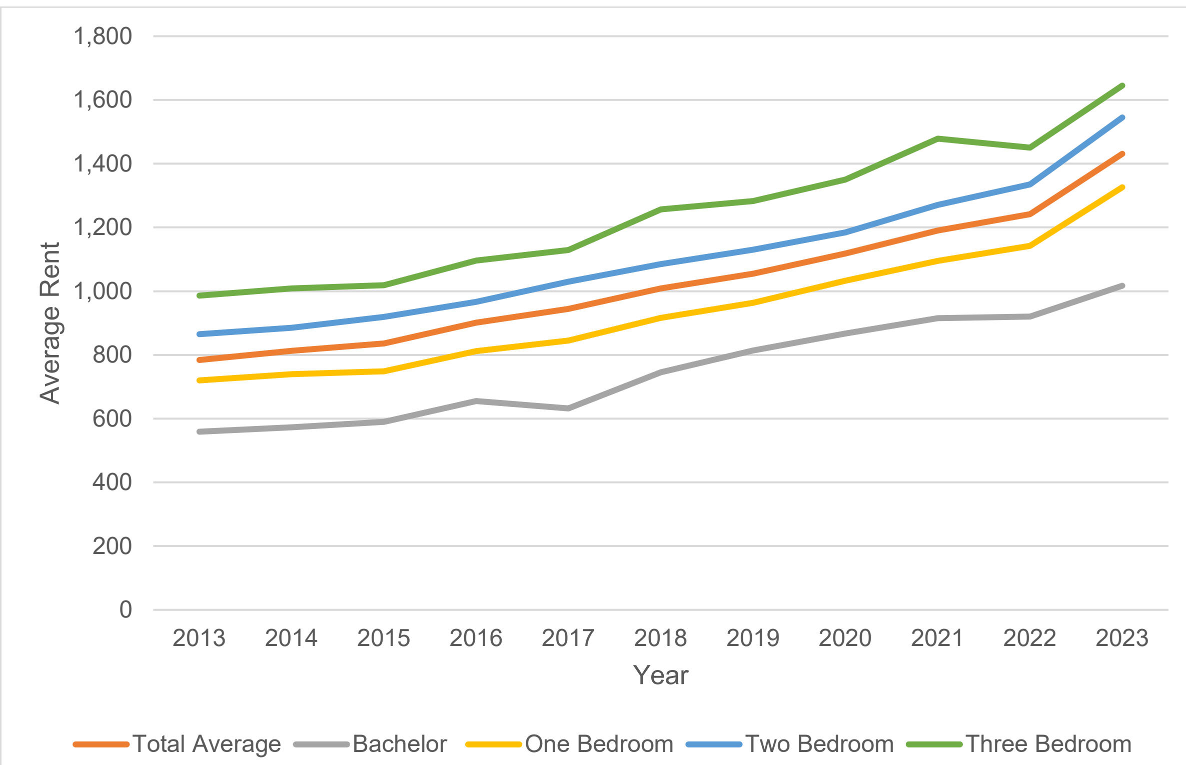


FIGURE 25: AVERAGE RENT BY NUMBER OF BEDROOMS
Source: CMHC – Hamilton (C) – Average Rent by Bedroom Type

In 2023, the average rent based on CMHC data was $1,017 for a bachelor apartment, $1,326 for a one bedroom apartment, $1,545 for a two bedroom apartment and $1,645 for a three bedroom apartment as shown in Figure 25, above. Table 9, below, summarizes the growth rates in average rent between 2021 and 2023 highlighting the significant increase between 2022 and 2023 compared to previous years.

TABLE 9: AVERAGE RENT GROWTH RATE 2021-2023

	2020- 2021	2021 - 2022	2022 -2023
All Apartments	6.1%	4.2%	13.2%
Bachelor	5.2%	0.5%	9.5%
One Bedroom	5.7%	4.1%	13.9%
Two Bedroom	6.8%	4.8%	13.6%
Three Bedroom	8.7%	-2.0%	11.9%

Source: CMHC – Hamilton (C) – Average Rent by Bedroom Type

Figure 26 compares the average rent based on CMHC data with the average rental prices found on Rental.ca, a website that collects and compiles data from online rental listings, in 2023. This indicates the average rent report by CMHC is lower than the average rent available in the market. In 2023, the average rental price reported by Rental.ca for all unit sizes was approximately $500 more or 30% higher than the average rent reported on by CMHC.

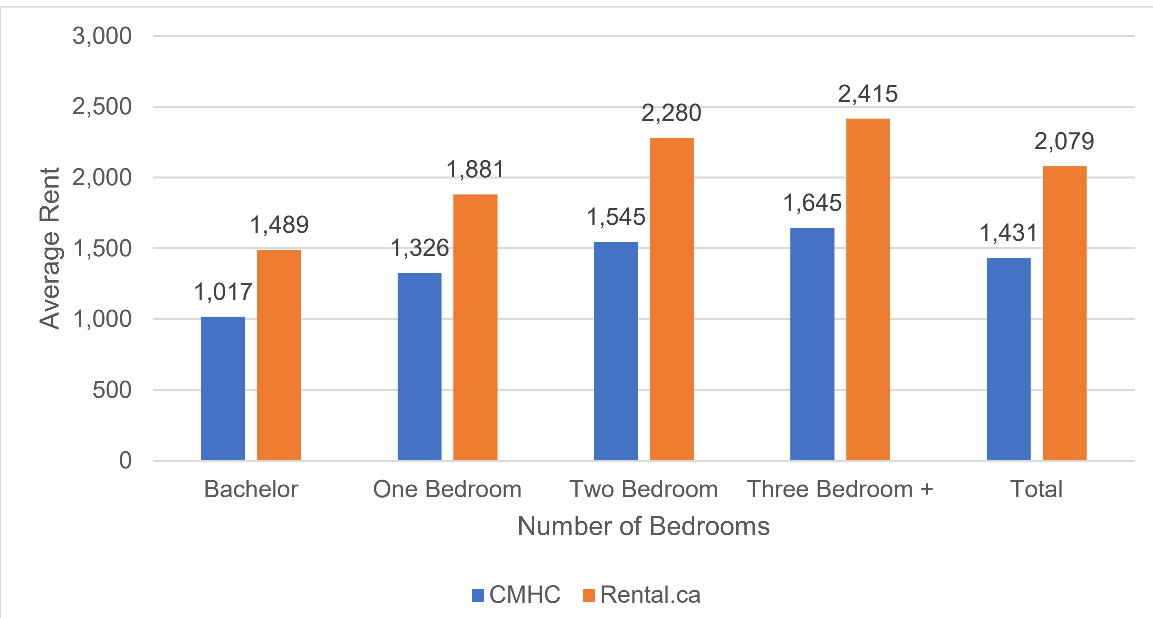


FIGURE 26: AVERAGE RENT VS AVERAGE MARKET RENT 2023
Source: CMHC Rental Market Survey and Rental.ca

A measure generated by CMHC through its Rental Market Survey is average market rent (AMR). Average market rent captures the average rent charged by private landlords for available units and is calculated for individual neighbourhoods or urban zones. Average market rent does not include secondary rentals in the condo market in this calculation. Figure 27, below, shows the discrepancy between the average rent for purpose built rental units and the average rent for condominium apartment.

FIGURE 27: AVERAGE RENT BY TENURE
Source: CMHC Rental Market Survey

6.2 AVERAGE PURCHASE PRICE

Figure 28 shows the average purchase price of all dwelling types including single detached, semi-detached, townhouse dwellings and apartment dwellings over the last 10 years. The average purchase price has increased from $306,047 in 2013 to $793,737 in 2023 which represents a 63% increase. The steepest increase in price was between 2021 and 2022 with a growth rate of 22% and the average purchase in 2023 declined by approximately 9%. The rapid acceleration in real estate prices was driven by several factors including Bank of Canada interest rate cuts and increased demand for larger dwelling sizes stemming from the COVID-19 pandemic, which in turn encouraged speculative activity. 2023 is the only year in the last ten years to see a drop in the average purchase price.

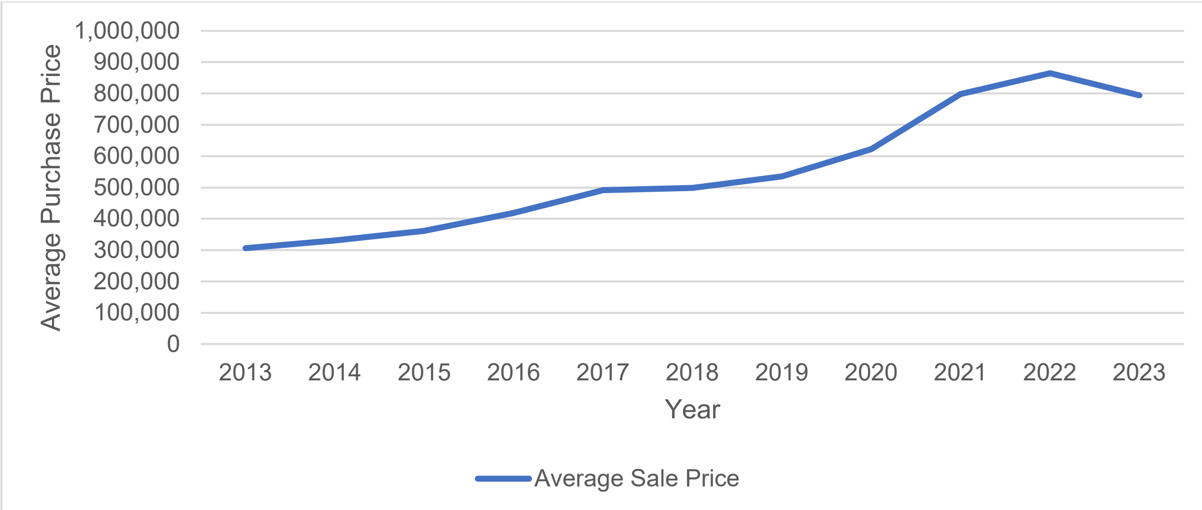


FIGURE 28: AVERAGE PURCHASE PRICE 2013-2023
Source: Realtors Association of Hamilton and Burlington

Figure 29 contains a breakdown of the average purchase price by dwelling types since 2019. The average purchase price for each dwelling type has maintained a consistent pattern with one anomaly that single detached dwellings increased more significantly between 2020 and 2021 than the other forms of dwelling. This may be a result of an increase demand in single detached dwellings due to the COVID-19 pandemic.

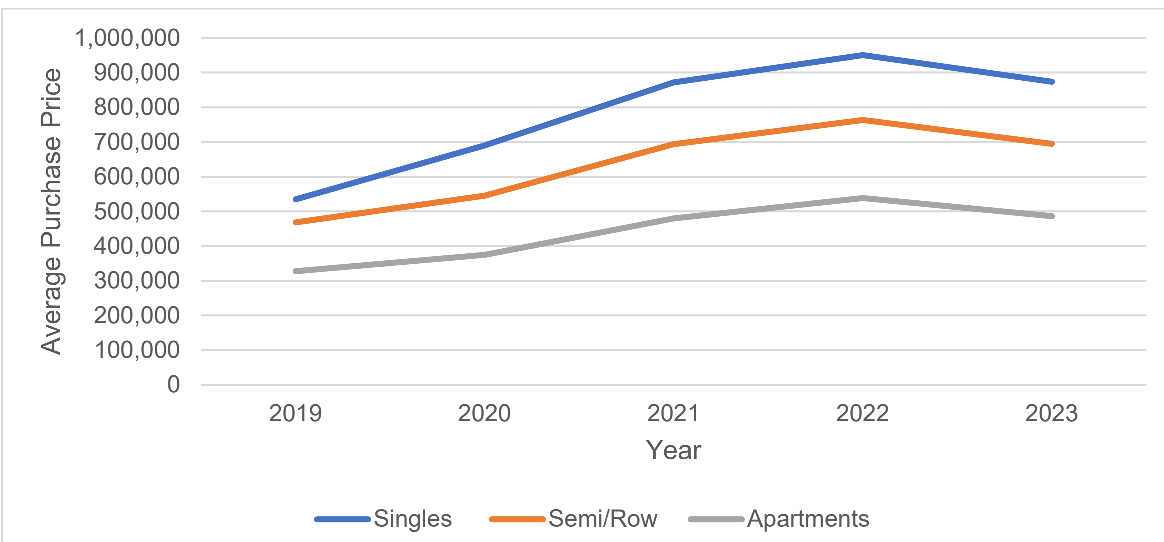


FIGURE 29: AVERAGE PURCHASE PRICE BY DWELLING TYPE
Source: Realtors Association of Hamilton and Burlington

Figure 30 shows the average purchase price for all dwelling types by area in Hamilton. Former municipalities Flamborough, Dundas, Ancaster, and Glanbrook have average purchase prices higher than the average purchase price for the entire City.

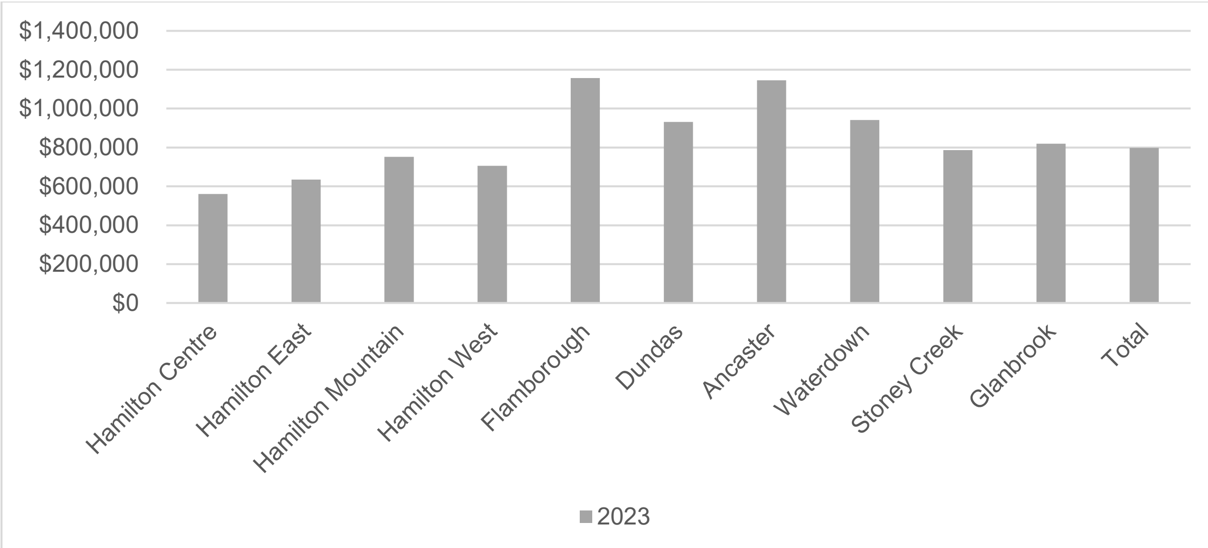


FIGURE 30: AVERAGE PURCHASE PRICE BY AREA
Source: Realtors Association of Hamilton and Burlington

6.3 MORTGAGE PAYMENTS

Figure 31 shows the average monthly mortgage payments between 2016 to 2023. Monthly mortgage payments are an indicator of the cost of home ownership. The monthly mortgage payments have been increasing since 2016. The Bank of Canada interest rates have also been generally increasing since 2016 with a significant dip in 2020 and 2021 due to the COVID-19 pandemic. Interest rates increased steeply beginning in 2022 in response to rising inflation which has correlated to a rise in average monthly mortgage payments. The increase in interest rates is also a driver of the decrease in real estate prices in 2023 as prospective purchasers now have reduced borrowing power. It is important to note that approximately 50% of residential mortgages are on five-year fixed terms, meaning that a large percentage of households that locked into historically low interest rates in 2020-2021 have yet to see a rise in monthly mortgage payments.

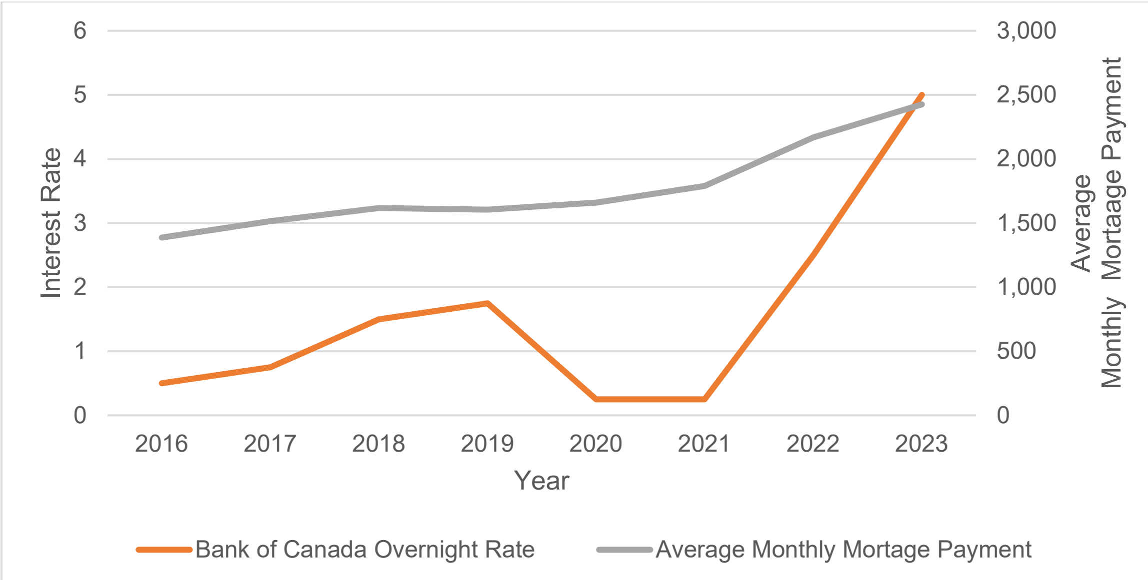


FIGURE 31: AVERAGE MORTGAGE PAYMENTS
Source: CMHC Average Scheduled Monthly Payments for New Mortgage Loans ($) – Hamilton CMA

The New Housing Price Index (NHPI) measures the change in the builders' selling prices of new residential houses including single detached, semi-detached and street townhouses over time, based on various housing attributes. Figure 33, below, compares the New Housing Price Index in the City of Hamilton to Ontario over the past 10 years, indicating the selling prices of new residential homes in the City of Hamilton have dropped below the provincial average in recent years.

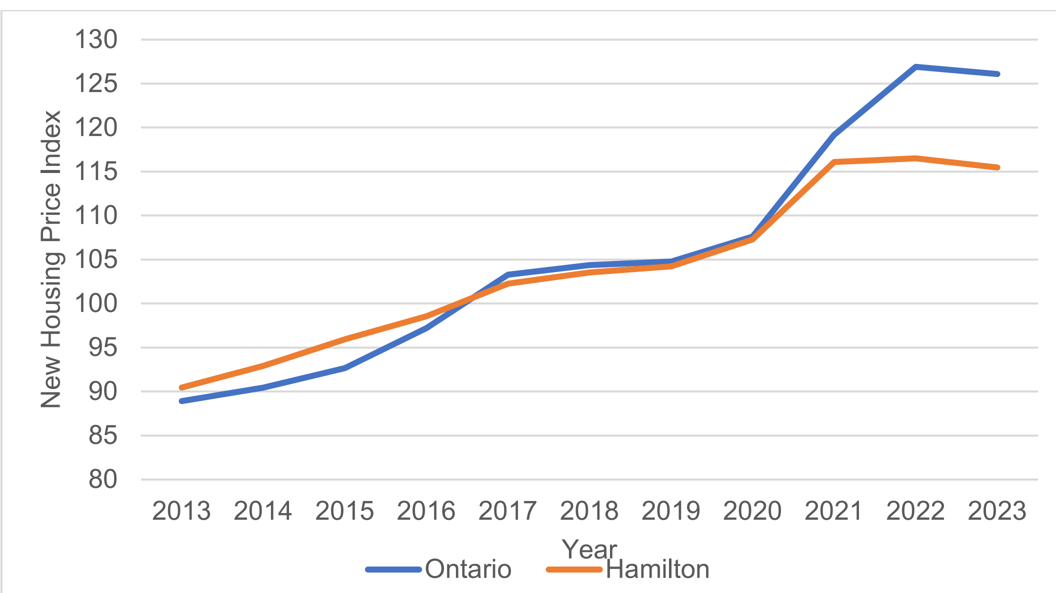


FIGURE 32: NEW HOUSING PRICE INDEX
Source: Statistics Canada. Table 18-10-0205-01 New housing price index, monthly

7.0

AFFORDABILITY

7.0 AFFORDABILTY

The Housing Needs Assessment completed during the five-year review of the Housing and Homelessness Action Plan indicated that Hamilton will need an additional 77,800 housing units to accommodate local population growth and housing needs through 2041.

7.1 HOUSEHOLD INCOME

Household income is an indicator of affordability in determining the proportion of household income that is being spent on housing. Table 10 contains census data respecting the proportion of households spending more than 30% of income on housing.

TABLE 10: PROPORTION OF HOUSEHOLDS SPENDING OVER 30% OF INCOME ON HOUSING IN HAMILTON, 2016 AND 2021

	2016	2021
Rental	45.2	39.0
Ownership	16.8	15.8
Total	25.2	23.0

Source: Census of Population

7.2 AFFORDABLE UNITS

Inadequate housing refers to housing reported by its residents as requiring major repairs. Unsuitable housing refers to housing that does not have enough bedrooms for the size and composition of resident households according to the National Occupancy Standard. Unaffordable housing has shelter costs equal to or greater than 30% of total before-tax household income. Core housing need refers to private households which falls below at least one of the indicator thresholds for housing adequacy, affordability or suitability and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (attains all three housing indicator thresholds).

Figure 34 highlights that a higher proportion of dwellings are inadequate, unsuitable, unaffordable or in core housing need with rental tenure compared to ownership. Hamilton has a lower proportion of dwellings being unsuitable and unaffordable compared to Canada and Ontario, however there is a higher proportion of rental dwelling units in core housing need compared to Canada and Ontario.

As discussed above, those who rent are more likely to be spending a higher percentage of their income on housing. However, rental units are consistently more inadequate, unsuitable, unaffordable and in core housing need than ownership units.

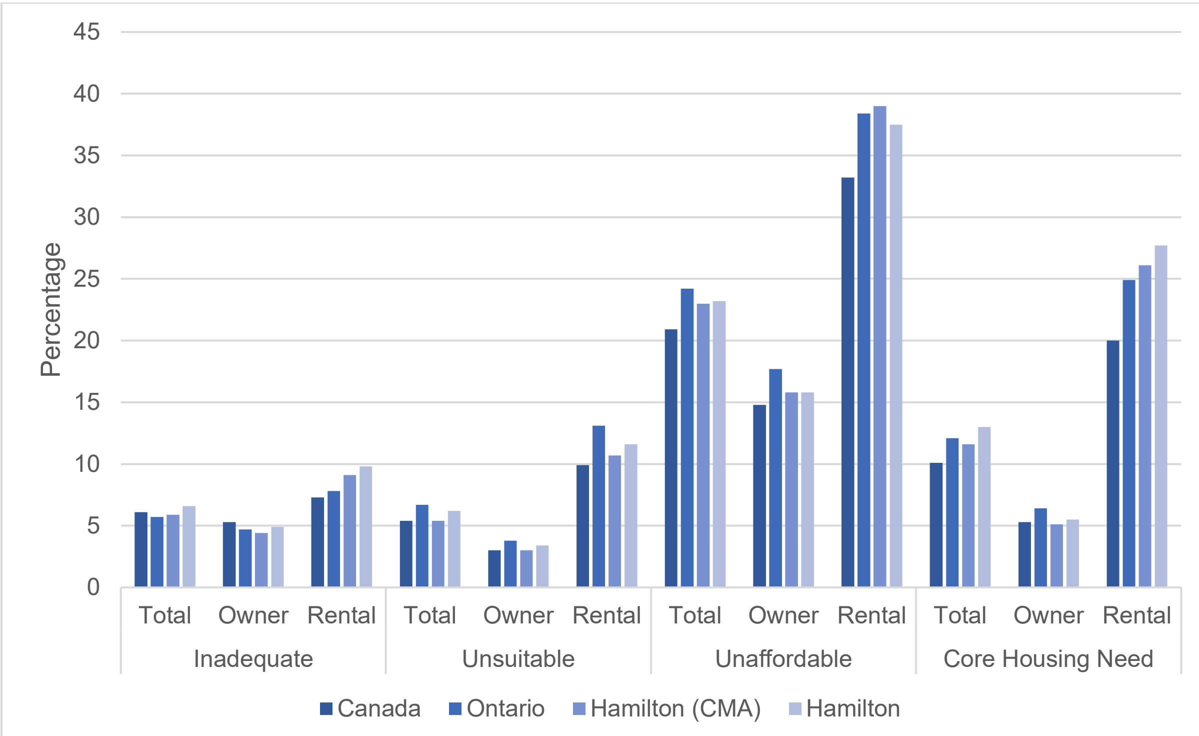


FIGURE 33: HOUSING IN CORE HOUSING NEED 2023
Source: Statistics Canada. Table 98-10-0258-01 Housing indicators by tenure: Canada, provinces and territories, census metropolitan areas and census agglomerations and Table 98-10-0259-01 Housing indicators by tenure: Canada, provinces and territories, census divisions and census subdivisions

7.3 HOMELESSNESS

Despite having a comprehensive strategy with many effective interventions in place, the level of need for affordable housing and homelessness supports is exceeding available resources. This challenge significantly worsened during the pandemic.

Hamilton’s coordinated system enabled community partners to come together to respond quickly to expand emergency programs. This response, which received provincial support, included expansion of drop-in programs, street outreach services, isolation centres, and shelter spaces from 341 pre-pandemic to more than 500 through the pandemic. Data from the Municipal Benchmarking Network Canada shows in 2020 and 2021 Hamilton invested more dollars and had more shelter beds per capita than other comparable communities.

In 2022, 4,037 individuals accessed homeless-serving programs funded by the City of Hamilton, of which 26% of people were experiencing chronic homelessness (those experiencing homelessness for more than a six-month period) and 27% were in significant need of health or social service supports. As of the end of December 2022, 1,536 individuals were considered to be actively homeless in Hamilton, up from 1,024 in 2020 before the pandemic and, as in other jurisdictions, this number is continuing to grow.